

strategic
development group



Review of the Humanitarian
Logistics Capability

27 October 2022

Final Report



EXECUTIVE SUMMARY

Introduction

The Department of Foreign Affairs and Trade's (DFAT) Humanitarian Logistics Capability (HLC) is a ten-year investment, from 1 July 2018 until 30 June 2028 that has an indicative value of AUD 22 million plus flow through costs as per figure 2. The expected end-of-investment outcomes of the HLC are:

1. The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to humanitarian emergencies in the Indo-Pacific region.
2. The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to consular crises globally.
3. Vulnerable groups including women, girls, the elderly and people with disabilities have safer and more secure access to appropriate and relevant humanitarian relief supplies.

An independent mid-term review (MTR) of the HLC over the first five years of the investment (1 July 2018 – 30 June 2023) was conducted between 4 April – 27 October 2022. The review has:

- Assessed the performance of DFAT's logistic capability to identify areas for improvement over the remaining investment period.
- Provided evidence to inform management decisions around extending the current contract with the current Managing Contractor (MC) Palladium that may include advice on updating the design of the investment; and
- Assessed the relevance, effectiveness, efficiency, performance and Monitoring, Evaluation and Learning (MEL), and key thematic issues of the investment to date and make recommendations for strengthening the next phase of the investment.

To answer the evaluation questions (EQ), a mixed methods approach was applied involving document review, key informant interviews and an e-survey. The analysis methods included Case Study analysis, expert analysis and Outcome Harvesting.

This document sets out the findings of the MTR. The primary audience of this report is DFAT, and Palladium as the MC for this investment.



Findings

EQ1: Relevance: To what extent is the investment design and implementation fit to achieve the intended outcomes?

Number	Theme	Finding
1	Purpose	The mechanism appears to have two competing, and sometimes divergent purposes: (1) a mechanism for delivering on Australia's commitment to the humanitarian imperative through the delivery of life saving relief items to disaster affected countries; and (2) a mechanism for "soft diplomacy" that provides humanitarian supplies to disaster affected governments, which challenges the question of fitness for purpose, and this needs clarifying.
2	Outcome 1	Outcome 1 is fit for purpose in that it outlines the humanitarian logistics response requirements, and in implementation is the focus of the HLC, DFAT Humanitarian, NGOs and Partnerships Division (HPD) and its NGO partners.
3	Outcome 2	Outcome 2 has not been delivered against, due to the lack of requests to the HLC for logistics assistance in consular crises. It is recommended that DFAT consider removing this Outcome from the HLC
4	Outcome 3	Outcome 3 is highly relevant to the context and to the humanitarian imperative.
5	Scale	The intended scale of the HLC is ill-defined. DFAT HPD calculated that the number of humanitarian responses each year had increased four-fold and expenditure by 81 per cent, while full time equivalent (FTE) has decreased by 12 per cent. As a result, it is clear that the scale of the HLC is not fit for purpose.
6	Scope	The scope of the design is ambiguous with no clearly defined boundaries that might help differentiate those requests of a 'humanitarian' nature and those that are not. There is a need for DFAT to determine whether scope 'expansion' to include both slow-onset and rapid-onset crises should remain within the remit of the HLC investment. Governance arrangements and criteria for decision making are needed to provide clarity as to the types of requests that are appropriate for the HLC mechanism to respond to, and what the processes may be in redirecting requests to more suitable mechanisms.
7	Contractual Arrangements	The contractual arrangements of the mechanism (DFAT-Palladium) remain relevant to achieving the objectives of the HLC.



EQ2: Effectiveness: To what extent has the investment achieved the intended outcomes?

Number	Theme	Finding
8	Outcome 1	<p>The lack of monitoring Evaluation and Learning (MEL) systems and processes in design and execution deems effectiveness challenging to assess, so the Review Team has used the design document and contractual agreements to base its assessment of effectiveness.</p> <p>The HLC has led a total of 68 responses, across 18 countries in the Indo Pacific region and beyond, with a total committed spend of AUD 99,752,979. The responses have ranged in type, duration and volume; and have been in response to COVID-19 (testing, treatment and vaccines), natural disasters, conflict, disaster preparedness, disease outbreaks and replenishment of supplies across the region. Anecdotally, Palladium have delivered well according to HLC stakeholders. The following objectives are assessed in the absence of agreed results statements and targets:</p> <p>Timely delivery of relief supplies to designated destination: anecdotal evidence for Palladium’s timeliness in its responses is overwhelmingly positive, however available documentation presents only 10 service orders of the 68 reviewed in which response supplies have been delivered within 48 hours of the Service Order (SO) being issued. Given the majority of responses were related to non-traditional sudden-onset emergencies, it is understandable that this time frame was not adhered to, and the contractor may not have been held to the same expectations.</p> <p>The relief supplies provided are appropriate and relevant: The appropriateness, relevance and quality of the supply chain logistics cannot be assessed given the lack of monitoring data, however the HLC has been highly responsive to the procurement needs of country governments, warehouse stock content certainly aligns with that procured by specialist humanitarian agencies, and the appropriateness and relevance of the supplies that have been supplied cannot be known because responsibility for last-mile distribution is not held by the HLC investment</p> <p>Effective Supply Chain Logistics Function: the effectiveness of the supply chain logistics function was largely realised; however, it was inconsistent and hampered by weaknesses in governance, communications, decision making, articulation of roles and responsibilities and monitoring</p> <p>Risk: A number of risks were surfaced in the review, including Workplace health and safety risks, Value for money risks, Interoperability risks and Strategic risks.</p>
9	Outcome 2	<p>This outcome has not been delivered against, due to the lack of requests to the HLC for logistics assistance in consular crises.</p>



Number	Theme	Finding
10	Outcome 3	The required planning, resourcing and monitoring that is needed to effectively deliver on Outcome 3 have not been carried out by the HLC, from Palladium's or DFAT's perspective. As a result, the mechanism has not delivered against this intended outcome. Evidence of delivery and results against this outcome is entirely anecdotal. The lack of advice on gender equality disability and social inclusion (GEDSI) advice being resourced, or otherwise sought and applied (e.g., on a consulting basis, via DFAT's own GEDSI capabilities, or from other relevant humanitarian partners), demonstrates that this outcome was not prioritised by the contactor or by the HPD. The GEDSI advisor has been recruited and began their role on 5 September 2022 following an absence of this capacity until that date. The review team found no evidence of engagement of this nature between the HLC and Australia's other humanitarian partners to support enhanced logistics capability and effectiveness in this area. Due to not being involved in the 'last mile' distribution to affected populations, the HLC has very scant information about the extent of the appropriateness of the relief items deployed and about fairness and equality of access and benefit for recipients.

EQ3: Efficiency: To what extent are management and partnership arrangements supporting or constraining achievement of outcomes?

Number	Theme	Finding
11	Governance arrangements	On commencement of the current HLC Investment, the governance and implementation arrangements, systems and processes were not adequately established nor documented in order to realise the design in full. As a result, roles and responsibilities and overarching frameworks for MEL, communications, risk assessment, decision making pathways, or implementation of end of programme outcome (EOPO) 3 were not formalised or operationalised, nor well communicated across the various stakeholders involved in its delivery. This has led to delivery challenges, under-reporting and inefficiencies. The review has found that the partnership and governance arrangements in the design appear to be adequate for the delivery of the HLC investment, however this remains to some extent to be seen once the detailed implementation arrangements are articulated and agreed upon by all stakeholders.
12	Contract management	DFAT HPD have not held Palladium accountable for their contractual obligations, and DFAT HPD staff have not been sufficiently resourced, skilled nor directed to manage each service order against contractual obligations. There is a level of uncertainty held by DFAT staff in the decision-making roles and responsibilities for the HLC. It is recommended that Palladium restructures its HLC contract management resourcing, systems and processes to ensure that management and governance processes are reinforced and supported by well-articulated protocols and processes. This would allow for sharing or transfer of responsibilities and reduce the risk of over-reliance on specific individuals.



Number	Theme	Finding
13	DFAT HPD Capacity	There is limited evidence that HPD has utilised the technical expertise available within DFAT and its wider partnerships to support the mechanism in following humanitarian best practice that Australia has committed to. Without technical specialist recruitment and retention, DFAT staff often come into HPD with limited technical knowledge or expertise in humanitarian response or logistics. Humanitarian functions have been removed from the Crisis Centre when activated, with HPD staff taking on response management functions from their regular desks and in addition to regular functions, which impacts response efforts and the wellbeing of DFAT staff.
14	AHP Engagement with HLC	While The Australian Humanitarian Partnership (AHP) and other partners are largely positive about the HLC, there is inconsistency in satisfaction and there is much room for improvements in reporting, coordination, relationship management and communications

EQ4: MEL: To what extent is accurate and meaningful performance evidence generated, and how is this informing decision-making processes?

Number	Theme	Finding
15	Limited evidence	There is limited accurate and meaningful performance or process evidence generated against this investment, and very little evidence of systems through which to feed evidence back into implementation and decision-making. A lack of any agreed MEL strategy or results framework against the HLC investment and the HLC Contract is concerning and requires addressing. Reporting is taking place, however not to DFAT M&E standards, and there is scant evidence of investment-wide performance management and accountability mechanisms in place, along with lesson learning, feedback mechanisms nor processes to allow for informed decision making.



Recommendations

Number	Theme	Recommendation
1	Design refresh	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.
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
3	Outcome 1	DFAT is recommended to retain Outcome 1
4	Outcome 2	DFAT is recommended to remove Outcome 2
5	Outcome 3	DFAT is recommended to retain Outcome 3 with modifications.
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.
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.
8	MEL Strategy	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, A Results Framework
9	Risk Management	DFAT is recommended to design and implement risk assessment and risk mitigation arrangements, which focus on the areas of risk identified in section 2.3.2 of the report.
10	Humanitarian and logistics training	The review team recommends that DFAT reinstate humanitarian and logistics training for staff managing the HLC



Number	Theme	Recommendation
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
12	HPD management mechanisms	The review team recommends that DFAT reintegrate HPD into crisis response / internal incident management mechanisms
13	Capacity and retention	The review team recommends that DFAT review HPD staff capacity and retention
14	Contract implementation agreements	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.
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.
16	GEDSI technical capacity	Palladium 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.
17	GEDSI strategy	The review team recommends prioritising the development of a GEDSI strategy and implementation plan for the HLC
18	GEDSI leadership	The review team recommends commitment and leadership by senior management of Palladium to promote GEDSI in all aspects of investment
19	GEDSI advice	The review team recommends establishing an HLC GEDSI reference group with advisory and accountability oversight responsibilities



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1 INTRODUCTION

1.1 The Humanitarian Logistics Capability

The Department of Foreign Affairs and Trade' (DFAT) Humanitarian Logistics Capability (HLC) is a ten-year investment, from 1 July 2018 until 30 June 2028 that has an indicative value of AUD 22 million plus flow through costs as per figure 2. Through this critical investment Australia seeks to facilitate timely, effective and flexible delivery of Australian humanitarian assistance through the provision of appropriate and high-quality humanitarian supply chain logistics support. The expected end-of-investment outcomes of the HLC are:

1. The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to humanitarian emergencies in the Indo-Pacific region.
2. The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to consular crises globally.
3. Vulnerable groups including women, girls, the elderly and people with disabilities have safer and more secure access to appropriate and relevant humanitarian relief supplies.

The specific component of the investment are as follows:

1. Procurement of Humanitarian Emergency Relief Supplies (HERS) and Equipment
2. Storage and Handling of pre-positioned Supplies and Equipment
3. Humanitarian Freight and Transport Logistics
4. Deployment Support
5. Specialist Logistics Personnel and Expertise
6. Consular Crisis Management Support Capability.

To deliver these capabilities, DFAT in 2018 signed a five-year Deed (with an option to extend for up to five years) with Palladium as the Implementing Partner to deliver the capability working with other Whole of Government (WoG) partners. There are two initial Service Orders (SO) under the Deed. The first creates logistics expertise, and the second establishes emergency supplies warehouses in Brisbane and Sydney. Eight additional SOs further strengthen DFAT's response capability, such as additional support and storage. Further, other areas in DFAT use the Deed to provide emergency supplies and logistics, particularly in the Indo-Pacific. The HLC investment is managed by the Humanitarian Operations Section (HOS), under the Humanitarian Response, Risk & Recovery Branch of the Humanitarian, NGOs and Partnerships Division (HPD).

1.2 Purpose and Scope of the Review

An independent mid-term review of the HLC over the first five years of the investment (1 July 2018 – 30 June 2023) was conducted between 4 April - 26 September 2022. A key consideration for this review was determining the extent which the HLC as articulated in the design continues to be fit for purpose and effective across its intended 10-year lifespan. The challenges of the COVID-19 pandemic, and an increase in scale and scope of support, are crucial considerations, as well as the question of what changes DFAT may need to make in order to meet the emerging humanitarian response demands in the region. The review has:

- Assessed the performance of DFAT's logistics capability to identify areas for improvement over the remaining investment period.
- Provided evidence to inform management decisions around extending the current contract with the current Managing Contractor (MC) Palladium that may include advice on updating the design of the investment; and
- Assessed the relevance, effectiveness, efficiency, performance and Monitoring, Evaluation and Learning (MEL), and key thematic issues of the investment to date and made recommendations for strengthening the next phase of the investment.



1.3 Report Structure

This document sets out the findings of the MTR. The primary audience of this report is DFAT, and Palladium as the MC for this investment. The report responds to the key evaluation question and four sub-questions (that are summarised below) and provides recommendations for the next five-year phase of this investment. Evaluation findings with respect to the review results and lessons learned are presented including two Case studies¹ of logistic services and humanitarian responses that were selected with DFAT based on considerations of geography, timing, size, thematic areas and type that provide greater depth to the emerging findings

1.4 Evaluation Methodology

The review was conducted by a team of independent consultants whose Terms of Reference (ToR) is set out in Annex 1. The detailed evaluation methodology and delivery plan is in Annex 2.

The review was formative in nature and focused on generating evidence-based lessons learned from the initial five-year phase of implementation to provide findings and recommendations for the remaining five years of the investment. The overarching Evaluation Question (EQ), *“To what extent is the Humanitarian Logistics Capability mechanism fit for purpose, and how could this be improved?”*, is a forward focused question that guided the focus of the sub-questions to garner evidence to inform recommendations for how the mechanism could be improved in the next five-year phase.

The overarching evaluation question is:

- **To what extent is the Humanitarian Logistics Capability mechanism fit for purpose, and how could this be improved?**

This question is broken down into four evaluation sub-questions:

1. **RELEVANCE:** To what extent is the investment design and implementation fit to achieve the intended outcomes? What impact has the changing humanitarian environment had on the capability’s relevance?
2. **EFFECTIVENESS:** To what extent has the investment achieved the intended outcomes?
3. **EFFICIENCY:** To what extent are management and partnership arrangements supporting or constraining achievement of outcomes?
4. **MEL:** To what extent is accurate and meaningful performance evidence generated, and how is this informing decision-making processes?

1.5 Approach to Data Collection and Analysis

To answer the evaluation questions, a mixed methods approach was applied involving: document review of investment specific documents, published and grey literature on relevant humanitarian response approaches; 30 key informant interviews (KIIs) with 40 individuals representing DFAT, humanitarian partners, INGOs and Palladium personnel; a visit to the Brisbane warehousing facility and an in-person round table discussion with Palladium HLC management and operational team members; and e-survey from 23 respondents including DFAT, International NGOs and staff from National Disaster Management Offices (NDMOs), and other WoG representatives. Stakeholder lists can be found in Annex 5, and the E-Survey tool is provided in Annex 6.

The analysis methods included Case Study analysis, expert analysis and Outcome Harvesting. Two validation workshops (one in person and one virtually), followed the submission to DFAT of the Aide

¹ The Case Studies are in Annex 3 are: Logistics Support to the Australian Response to TC Harold – Vanuatu; Logistics Support to Australian Response to Flooding and COVID outbreak - Timor Leste



Memoire. The workshops strengthened the analysis process by providing a chance for the Review Team to present the emerging findings and recommendations and allow the DFAT participants to constructively critique and validate. It should also be noted that several initiatives were taking place within HLC alongside this review, including a mapping exercise into warehouse localisation across the Pacific Region, and the other involves learning lessons from the United Kingdom (UK) Foreign Commonwealth and Development Office (FCDO) model. These are not covered in detail in this review; however, recommendations are provided in Annex 4.

1.6 Limitations

Although a number of lines of enquiry contained in the Evaluation Plan were not able to be undertaken as planned, overall the information available was adequate to respond to the overarching evaluation questions. There was limited engagement with NDMOs, in-country partners and government ministries. The lack of engagement from these key stakeholders led to an overrepresentation of DFAT voices. Further there was a lack of monitoring and evaluation (M&E) evidence over the life of the investment including Service Order (SO) final reports. The time allowed to schedule KIIs, while more than adequate for domestic stakeholders, did provide some issues with achieving contact with those overseas and at a greater distance to the capability. The implications are that the review has fewer inputs from in country stakeholders, particularly a broad range of NDMOs, and this may potentially bias the evidence. It also means there is limited information about preferred and practical options for Australia to consider in the next period of the capability with regards to engagement at the in-country level. The Accountability to Affected Populations (AAP) framework was unable to be applied in the analysis, given that the HLC was not responsible for the last-mile distribution, and the lack of secondary M&E data from those responsible for distribution and direct engagement with beneficiaries.

2 FINDINGS

2.1 Overarching Evaluation Question:

To what extent is the Humanitarian Logistics Capability mechanism fit for purpose, and how could this be improved?

Overall, the review heard a range of positive feedback on the HLC mechanism, and in particular the work of Palladium, such as adaptability, flexibility, responsiveness, and good working relationships between DFAT HPD and Palladium. Unfortunately, the consistent anecdotal evidence regarding positive delivery and outcomes is not validated by a solid base of evidence, due to the lack of systemic and standard delivery of MEL by the mechanism.

2.2 Evaluation Question 1: RELEVANCE

To what extent is the investment design and implementation fit to achieve the intended outcomes? What impact has the changing humanitarian environment had on the capability's relevance?

2.2.1 Intent of the Investment

The mechanism appears to have **two competing, and sometimes divergent purposes**, presented in Figure 1, with their implications. Clarifying the purpose of the HLC will be crucial going forward, in informing how decisions are made and how the mechanism is managed and implemented.



Purpose	Implications
A mechanism for delivering on Australia's commitment to the humanitarian imperative ² through the delivery of life saving relief items to disaster affected countries	Demands accountability to the commitments Australia has made to best practice and leadership in the global humanitarian system, including accountability to affected populations at all stages of a humanitarian response. This includes accountability for the 'last mile', to ensure relief supplies are distributed in accordance with need.
A mechanism for "soft diplomacy" that provides humanitarian supplies to disaster affected governments	Implies commitments to the localisation of humanitarian response, supporting partner government institutions and respecting their sovereignty in identifying needs and managing last mile distribution. Inherent to the diplomatic intent of this purpose is a limitation to the accountability measure that can be imposed upon a sovereign state in its adherence to best practice use of the humanitarian relief supplies provided by Australia.

Figure 1: The two apparent purposes of HLC and implications

Both purposes have relevance to Australia's diplomacy policy objectives and commitment to playing a leading role in the Indo-Pacific in providing best-practice humanitarian response and supporting innovation and change in the regional and global humanitarian response system. DFAT's Humanitarian Logistics Framework (2018-2028) explains that Australia provides assistance to "save lives, alleviate suffering, and enhance human dignity during and in the aftermath of conflict, natural disasters, and other humanitarian crises, as well as to reduce risks from and strengthen preparedness for the occurrence of such situations". Without visibility over the last-mile distribution and appropriate MEL to capture evidence, the success of the HLC in delivering on this aspiration cannot be substantiated.

DFAT's Humanitarian Logistics Framework (2018-2028) also articulates the triggers that prompt Australia's responses to crises, including:

- Australia's national interest
- Needs of the affected population
- Scale of the disaster and affected government response capacities, including whether a request for assistance has been made
- Funding and plans of other donors
- Capacity and activities of humanitarian partners on the ground
- Geographic location
- Good Practice of Humanitarian Donorship
- Ensuring our response is consistent with the principles and approaches we advocate for internationally.
- Lessons learned by us and our partners

The use of the mechanism to provide bilateral support to governments of affected countries, primarily through NDMOs and (more recently) Ministries of Health aligns with Australia's primary trigger of national interest. While this support certainly satisfies the diplomacy objective of the HLC, the extent to which this assistance successfully saves lives, alleviates suffering, and enhances human dignity is more difficult to substantiate. Little evidence exists to support the gathering of data around last mile distribution for the bulk of Australia's spend through the HLC. Such evidence gathered, were it to exist, may risk undermining the diplomacy benefits of such support as evidence of inefficient or ineffective use of relief supplies would risk damaging the very bilateral relationships the support aimed to bolster.

² <https://spherestandards.org/wp-content/uploads/2018/07/the-humanitarian-charter.pdf>



As a result, any explicit or implied suggestion that HLC, either via Palladium or DFAT, can truly ensure the end-to-end process is compliant with best-practice humanitarian response and objectives 1 and 3 of the HLC, is unrealistic under the current design.

The question of ‘fitness for purpose’ is challenged by these somewhat divergent objectives. The current structure of the HLC is not fit for purpose in ensuring compliance with best practice humanitarian action as it would require full transparency including of foreign government operations, which is not possible. Australia’s funding supports procurement and responses from humanitarian partners including NGOs, the Red Cross Movement and UN partners, who operate under a mandate to adhere to internationally agreed best practice. DFAT therefore needs to consider the extent to which it prioritises the tracking of the receipt and distribution of goods in alignment with international best practice. If it is determined to be appropriate and required, options for Australia to play a supportive role to recipient government partners to carry out this tracking and quality assurance of traditional humanitarian non-food item (NFI) supplies may be explored. This is discussed further in the Recommendations section.

The eSurvey results found that the majority of respondents perceived Australia’s HLC as relevant to the current and emerging needs of the region: 21 out of 23 responses reported that over the last 5 years, DFAT’s HLC has been either somewhat or very relevant to the current and emerging needs of the region. The reasons for these answers included:

DFAT respondents	NDMOs, AHP partners and respondents outside Australia
Relevant to the growing needs in the region	Increase in the need for cost-effective logistics from Australia to Pacific Island Nations, with closed or limited private sector options via sea/air - reliance or request for NFIs from NGO partners increased
Essential for vaccine delivery during COVID-19 and adapting to the changing response needs presented by COVID-19	It remains the quickest way to meet the humanitarian need for non-food items in the region Utilising air freight through DFAT has saved so much time as well as money
The delivery partner is crucial in ensuring humanitarian logistics capability has the right professional expertise to fill gaps within DFAT	Supplies provided are relevant to the needs of affected people
Strategic importance in the region, building relationships and being responsive improves Australia’s reputation	
Allows Australia to respond in a nuanced way to the needs of regional country governments	

A majority of respondents (18) perceived this relevance to be sustained or increased in the last 5 years. The main reasons included:

- The increase in the quantity of responses (particularly related to COVID-19)
- The continued need for humanitarian logistics support by regional governments and in country representatives of the Australian Humanitarian Partnership (AHP)
- Changing strategic environment in the Pacific means a greater need for timely and effective logistics support

The two respondents (from an NGO partner and an NDMO representative) rated the HLC as not being very relevant. Their reasons included:



- Where HLC has sent supplies before the understanding stock levels or context of the response operation, relevance is limited. Better coordination is needed with other donors. e.g., the France, Australia, New Zealand (FRANZ) partnership, and the World Food Programme (WFP)
- Prioritisation of AHP partners' goods is below the Australian Defence Force (ADF)/DFAT needs, which limits the ability of NGOs to provide a timely response.
- Better contextual understanding is needed for non-Pacific nations, which can be sophisticated in their responses and have different needs from the Pacific

One respondent noted that the relevance of HLC to their country's needs has been limited due to delivery of HLC supplies to NDMOs directly, and previously this had extended beyond the airport. The capacity and capability of local level personnel to effectively distribute supplies in response to simultaneous disasters in separate parts of a country was in question.

2.2.2 Investment Objectives

Outcome 1: "The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to humanitarian emergencies in the Indo-Pacific region."

This objective is fit for purpose in that it outlines the humanitarian logistics response requirements, and in implementation is the focus of the HLC, DFAT HPD and its NGO partners. The objective that the HLC provides humanitarian logistics responses that are "timely, effective and flexible" remains highly relevant to the strategic context and emerging humanitarian needs in the region, given the volume and complexity of response requests. The objective of delivering "high quality, appropriate humanitarian supply logistics support" remains relevant to Australia's foreign policy objectives as well as Australia's humanitarian commitments.

The provision of timely, effective and appropriate assistance to humanitarian emergencies in the Indo-Pacific remains a highly relevant design element. It supports Australia's broad commitment to international best practice, which includes the ultimate aspiration that assistance provided works to fulfil the humanitarian imperative, namely, to ensure "that action should be taken to prevent or alleviate human suffering arising out of disaster or conflict, and that nothing should over-ride this principle" (Humanitarian Charter, Sphere Standards).

The HLC supports Australia's capability to ensure response efforts align with the strategic objectives and guiding principles of the DFAT Humanitarian Logistics Framework (2018-2028) including to strengthen international humanitarian action, support preparedness and effective response and enable early recover. They also support Australia's commitment and endorsement of international humanitarian standards and commitment, including:

- Core Humanitarian Standard on Quality and Accountability
- The Sphere Handbook
- Humanitarian Charter and Minimum Standards in Humanitarian Response
- Principles and Good Practice of Humanitarian Donorship
- Same Space - Different Mandates – A Civil-Military Guide to Australian Stakeholders in International Disaster and Conflict Response
- International aid effectiveness principles, including those outlined in the Busan Partnership for Effective Development Cooperation (2011), the Accra Agenda for Action (2008), and the Paris Declaration on Aid Effectiveness (2005)
- Partnerships for Recovery: Australia's COVID-19 Development Response (2020)

The HLC also supports Australia's commitment to ensuring humanitarian effectiveness can be measured using relevant monitoring and evaluation frameworks including the MFAT-DFAT Humanitarian Monitoring and Evaluation Framework for the Pacific.



The relevance of the 'Indo-Pacific' is aligned with Australia's strategic development and humanitarian geographic priorities, however this does not obscure some of the broader response work undertaken outside of the region by the HLC. The Indo-Pacific reference remains relevant, though could be softened to mirror the language of the humanitarian framework, strategic objective one that concludes with "particularly in the Indo-Pacific".

Outcome 2: "The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to consular crises globally".

This outcome has not been delivered against, due to the lack of requests to the HLC for logistics assistance in consular crises. It is recommended that DFAT consider removing this Outcome from the HLC.

Outcome 3: "Vulnerable groups including women, girls, the elderly and people with disabilities have safer and more secure access to appropriate and relevant humanitarian relief supplies"

The objective of inclusion is highly relevant to the context and humanitarian imperative, however there is no evidence of this being addressed via the HLC, nor that capability and systems having been put in place to deliver this. Retention of this outcome is highly relevant to the full suite of Australia's commitments to best practice humanitarian assistance and the centrality of protection in programs. This outcome ensures that the HLC aligns to and complies with Australia's key policy commitments including:

- DFAT's Gender equality and women's empowerment strategy (2016)
- DFAT's Development for All 2015-2020: Strategy for strengthening disability- inclusive development in Australia's aid program (2015)
- DFAT's Child Protection Policy (2017)
- DFAT's Strategy for Australia's aid investment in social protection (2015)

2.2.3 Scale and Scope

Scale

The intended scale of the HLC is ill-defined. Anecdotally, there has been a belief held by many HLC partners that the mechanism was designed to support two-to-three responses per year, with the ability to manage two concurrent crises where required. This figure does not appear in any design documentation but might be inferred from the proposed total budget of AUD 22 million across a 10-year period in the initial contract. In the first three months of the contract there were five concurrent responses, far exceeding the anticipated volume, with a total AUD 100 million spend in the first five years of the contract. Meanwhile, DFAT staff capacity in HPD and resources allocated to the HLC were inadequate to manage the actual volume of responses compared with the expected volume, even prior to the COVID-19 pandemic. For instance, there was a total of 15 responses tasked by HLC before the first COVID-19 related response was initiated (SO24 in January 2020). Within a month of contract commencement and throughout the contract, there was a minimum of three concurrent responses running at all times, including an average of five concurrent responses per month in the lead up to the first COVID-19 response. Following the first COVID-19 response, the number of concurrent responses did not dip below six, and at some points reached 22. DFAT's own HIMR notes that the number of humanitarian responses each year had increased four-fold and expenditure by 81 per cent, while FTE had decreased by 12 per cent. As a result, it is clear that the scale of the HLC is not fit for purpose.

Scope

The scope of the design is equally ambiguous with no clearly defined boundaries that might help differentiate those requests of a 'humanitarian' nature and those that are not. Standard humanitarian emergency relief supplies long procured by DFAT's logistics providers and currently stocked in the Brisbane warehouse, are targeted at life-saving support and most commonly associated with rapid-onset crises. Such items, rapidly deployed through the HLC support the fulfilment of immediate needs



by affected populations in the early stages of a crisis. The unprecedented nature of the COVID-19 crisis catapulted what could largely be defined as a slow onset crisis to one requiring immediate life-saving assistance through the procurement and distribution of medical goods that during non-emergency periods would generally be sourced through health systems strengthening programs. The ability of the HLC to pivot and effectively respond to this crisis is acknowledged by the majority of stakeholders and indicates the success of the mechanism. The continued use of the HLC to provide medical supplies to affected countries is evidence of the ambiguity of the scope of the design.

Procurement of non-traditional items that may sit outside the boundaries of traditional humanitarian relief supplies, brings the validity of this objective to into question. The COVID-19 pandemic increased the volume of response activities supported by the HLC to an unprecedented scale that had not been experienced previously by any of Australia's logistics provider. The ability of Palladium to meet this need, including the pivot to specialised procurement of medical goods and an expanded capacity in ultra-cold chain is evidence of the success of the HLC. Increased requests for non-COVID items during the pandemic period have been for the majority accommodated by Palladium without question, such as support to an oil spill clean-up, logistics support to the 2019 Pacific Island Forum, and the procurement, transport and shipping of prefabricated school rooms in Vanuatu. However, even in the current protracted period of the pandemic, the mechanism continues to be used for non-emergency COVID-19 related procurement that now arguably could be sourced through commercial actors through the aid program.

Key informants in more than one Pacific Island nation noted that their choice to continue to request items through the mechanism relate specifically to the fact that they will generally be positively received. Subsequently, goods will be procured and delivered with speed, and the process largely circumvents other lengthier procurement process with more robust administrative checks and balances. Increased familiarity at Posts with the speed, efficiency and simplicity of the HLC as a procurement mechanism, where transportation costs are not on-shared, has reportedly increased comfort with its utilisation. With no boundaries as to the 'humanitarian' elements that define the utilisation of the mechanism and owing to its' soft power benefits (particularly in the Pacific) the question of whether the HLC is delivering "high quality, appropriate humanitarian supply logistics support" becomes a somewhat redundant point.

There is a need for DFAT to determine whether this scope 'expansion' to include both slow-onset and rapid-onset crises should remain within the remit of the HLC investment. Governance arrangements and criteria for decision making are needed to provide clarity as to the types of requests that are appropriate for the HLC mechanism to respond to, and what the processes may be in redirecting requests to more suitable mechanisms. The Design Document provides some guidance on this matter:

"All components except Deployment Support and Consular Crisis Management Capability (which are only available through the Humanitarian Logistics Contract) have a range of possible delivery mechanisms available through the various partnerships. DFAT may determine to activate any of the delivery mechanisms/ partnerships described in this document based on the following factors:

- *Value for money considerations*
- *The nature of the response required and the comparative advantage of the partner*
- *Availability of and access to the items and services required at a given time*
- *Geographic advantage, depending on the location of the emergency*
- *Track record of partner performance"* (HLC Investment Design Document, p21)

2.2.4 Investment mechanism and contracting arrangement

The contractual arrangements of the mechanism (DFAT-Palladium) remain relevant to achieving the objectives of the HLC. The set-up of one head Deed of Standing Offer, several core SOs and a number



of response specific SOs should allow for consistency across the duration of the head deed, ringfencing of response budgets and activities, and flexibility in terms of the volume and scope of the mechanism. This assumes that provisions of the core SOs are adhered to by the contractor and enforced by DFAT HPD. In practice, however, the broadening of scale and scope of the mechanism has placed pressure on HPD as the central management body of the HLC contract, which in turn has placed pressure on Palladium to prioritise responding to SOs, stretching its resources thin and allowing complacency in MEL, overarching reporting and other contract compliance issues.

The inclusion of goods that are not purely humanitarian in nature presents an option for the investment design, such that it sits within a different section of DFAT, with DFAT HPD reporting internally against objectives with humanitarian relevance. This would allow for wider WoG use of a logistics capability beyond humanitarian response. The implications of this change are significant, however, in that it would require a full investment redesign and procurement process for the HLC contract, given the drift in scope and scale. This option is therefore not recommended. Instead, clear decisions need to be made during the design refresh about the inclusion of slow onset as well as rapid onset crises in the use of the mechanism, as well as definitions around humanitarian versus simply logistics use. Clear parameters and criteria will ensure that the scope and scale are managed.

The design document requires the HLC contractor to establish and maintain linkages with DFAT's operational partners, such as United Nations (UN) and NGO partners, to enable smooth engagement during a response but also to maintain currency of information on suppliers and products, to strengthen and/or complement the HLC function. While there is little evidence of efforts to leverage other DFAT investments through NGOs, UN and other humanitarian partners, this is seen as a highly relevant element of the HLC design that provides an opportunity to amplify the investment by drawing on technical expertise or exploring interoperability between the humanitarian emergency relief supplies much of which also resulting from Australia's humanitarian or aid spend

The WoG approach was intended to improve efficiencies in humanitarian response, which specifically required a WoG Humanitarian Logistics Working Group, to ensure WoG partners had clarity of the HLC's functions and for coordination. There is no evidence that this was established, so intended benefits have not come to bear, however this element of the design remains relevant and may provide a home for the agreement and articulation of governance structures and management systems and processes between DFAT and WoG partners in delivering the HLC.

2.3 Evaluation Question 2: EFFECTIVENESS

To what extent has the investment achieved the intended outcomes?

Given that there is no agreed set of intended outcomes articulated in the form of a Monitoring, Evaluation and Learning (MEL) framework, this question is not straightforward to assess and answer. The Review Team has therefore based its assessment of effectiveness of the HLC Investment on the End of Investment Outcomes specified in the Design Document; and based its assessment of the effectiveness of the HLC Contract on the Scope of Requirements as laid out in the Deed of Standing Offer between DFAT and Palladium and accompanying core SOs. It is important to separate the HLC investment from the HLC Contract when addressing effectiveness given that the roles, responsibilities and expectations of different stakeholders differ for each. This review seeks to assess the effectiveness of the overall investment, which includes the HLC Contract with Palladium, as well as the WoG collaboration to deliver the wider Investment Outcomes.

According to the HLC Design document, the HLC Investment is intended to be a WoG collaboration led by DFAT and delivered in part by the Humanitarian Logistics Contract commercial implementing agent, to achieve the three End of Investment Outcomes. The objective set out in the Deed of Standing Offer with Palladium is as follows: "To facilitate timely, effective and flexible delivery of Australian Humanitarian assistance through the provision of appropriate and high-quality humanitarian supply chain logistics support" (Deed of Standing Offer, p20).



2.3.1 Overall findings

As noted above, the lack of MEL systems and processes in design and execution deems effectiveness challenging for the Review Team to assess, and this is discussed in Section 2.5 (MEL) below. Assessment of effectiveness is therefore based on available documentation, key informant interviews and survey responses, including the validation process with key DFAT staff. Analysis of available evidence has shown that Outcome 1 was the focus of the HLC Investment in its implementation, specifically in responding to requests for assistance made by NDMOs, with a particular focus on timeliness and flexibility.

2.3.2 Outcome 1 “The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to humanitarian emergencies in the Indo-Pacific region”

This End of Investment Outcome contains the totality of the HLC Contract objective, plus the responsibilities that DFAT, WoG, UN and NGO, and other partnerships have held in relation to delivering this outcome.

What has the HLC achieved?

A review of the documentation provided by Palladium and DFAT HPD has found that between September 2018 and March 2022 (the cut off point for this review), the HLC has led a total of 68 responses, covering 18 countries in the Indo Pacific region and beyond (e.g., Ukraine, Sri Lanka), with a total committed spend of AUD 99,752,979. The responses have ranged in type, duration and volume; and have been in response to COVID-19 (testing, treatment and vaccines), natural disasters, conflict, disaster preparedness, disease outbreaks and replenishment of supplies across the region. Figure 2 below provides a summary of the responses by response type, including the total number of responses, total and proportionate funds committed per response type.

Response type	No.	% total \$ committed	Total \$ Committed
COVID-19	31	70.4%	\$70,199,241
Core Costs	6	12.0%	\$11,999,019
Natural Disaster	11	8.2%	\$8,164,100
Replenishment	2	3.2%	\$3,237,725
Non-ODA	5	3.1%	\$3,055,597
COVID-19/Flood	1	1.4%	\$1,349,980
Conflict	2	0.7%	\$702,716
Disaster Preparedness	7	0.5%	\$515,656
Disease outbreak	2	0.3%	\$328,944
Unknown	1	0.2%	\$200,000
Totals	68	100%	\$99,752,979

Figure 2: HLC Response totals and value committed by response type

The figures above refer to the costs committed by the HLC contract between DFAT and Palladium, and do not include staffing and other resources utilised by DFAT HPD or WoG (e.g., ADF) to deliver the overarching HLC investment. The figures refer to the maximum contracted value of service orders 1-71, where three service orders numbers were created but not activated (no. 32, 46, and 49). Total invoiced amounts, which are the true reflection of spend, were only available for the 50 percent of Service Orders that had accompanying Post Operation Reports, so for consistency the maximum contract value has been used instead of the invoiced value.

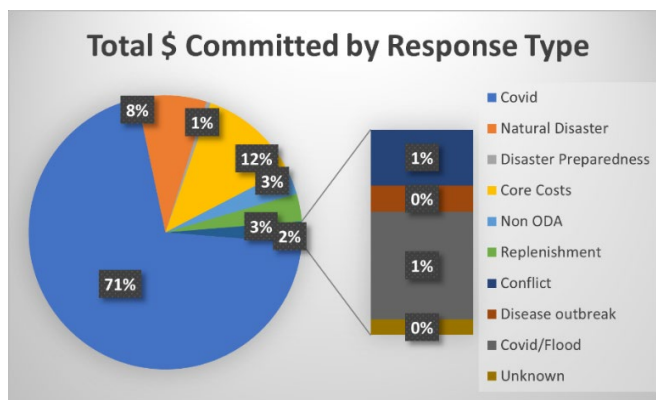


Figure 3: Total spend committed by HLC by response type

As illustrated in Figure 3, by far the highest number of responses led by HLC during the 5-year period were related to COVID-19 (46% of SOs), accounting for 71% of the total value committed under HLC. The second highest cost related to Core Costs (12%), which refers to:

- Core Logistics Management Resources (Global)
- Warehouse Management Services (Australia)
- Storehouse Management Services (Papua New Guinea)
- Surge Support for core logistics management resources

Assessing Effectiveness of the HLC against its targets

Given that there was no agreed MEL framework at commencement of the investment or at contract level, it is not possible to carry out a comparison between outcome targets and actual delivery. However, the Review Team has taken the main elements of the objectives of the HLC and assessed the degree to which these have been achieved, discussed further below:

- a) Timely delivery of relief supplies to designated destination
- b) The provided relief supplies are appropriate and relevant
- c) Effective supply chain logistics function

a) Timely delivery of relief supplies to designated destination

This objective refers to delivery of emergency response supplies within 48 hours of a request, noted as one of the commitments Australia has made for its humanitarian logistics capability (2018-2028 Humanitarian Logistics Framework – Annex 1). While the anecdotal evidence for Palladium’s timeliness in its responses is overwhelmingly positive, available documentation presents only 10 service orders of the 68 reviewed in which response supplies have been delivered within 48 hours of the SO being issued:

- Laos Dam Collapse (SO 4)
- Sulawesi Earthquake Tsunami (SO 7)
- Solomon Trader Operational Logistics support (SO 11 and 12)
- Support to the Samoan Measles Outbreak (SO 22)
- Response to the Asia-Pacific COVID-19 Outbreak (SO 24)
- WHO GeneXpert - Logistics Support for the Transportation of Testing Equipment and Supplies across Pacific (SO 27)
- Logistics support to Kiribati's request for urgent pharmaceutical products (SO 37)
- Logistics Support to COVID-19 outbreak Response – PNG (SO 43)
- Logistics Support to Flooding and COVID outbreak - Timor Leste (SO 45)
- Logistics support to provide civil unrest emergency assistance to Solomon Islands (SO 62)

This data was embedded within the available Post Operation report narrative, as well as the “Master Data” spreadsheet (SOs 1-62), and in the Review Team’s experience this data was relatively



inaccessible within the documentation, despite its importance as an objective of the capability. The contents of future post operation reports should be guided by the indicators developed in the M&E Framework, as part of the recommended design refresh process. Given that such a high proportion of the responses were in fact providing non-traditional humanitarian supplies (such as COVID-19 related supplies), it is understandable that the time taken to go to market, quote, procure and transport supplies was longer than usual, and indeed the contractor may not have been held to the same expectations for a 48-hour response window. This is an area for clarification in the next phase of the HLC. Despite this, our review has uncovered extremely positive anecdotal reports on the HLC (Palladium in particular), including:

- COVID-19 supplies (vaccines, testing and treatment) sent as requested
- Responsive to requests, contactable, polite and respectful
- Flexible and adaptive: to changing contexts, specific procurement requests
- Transparency in providing procurement quotes quickly
- Competence in humanitarian logistics
- Competence and supportiveness of in-country deployment teams
- Timeliness of responses and movement of stock
- Well-maintained warehouse, including appropriate storage of materials
- Communication is clear, coordination is effective, and problems are resolved well

“They [Palladium] are across their brief, solutions focused and always helpful” – eSurvey respondent

b) The relief supplies provided are appropriate and relevant

The types of supplies that have been provided by the HLC have been a combination of standard humanitarian NFIs prepositioned in the HLC warehouses, as well as the specific requirements made by NDMOs and Post that fall outside of standard humanitarian supplies (such as COVID-19 related equipment). The appropriateness, relevance and quality of the supply chain logistics cannot be assessed given the lack of monitoring data; however, the following assessments can be made based on the evidence available:

- According to key informant sources and available Post Operation Reports, the HLC has been highly responsive to the procurement needs of country governments in providing quotes, procuring supplies and transporting supplies to their designated destination.
- The warehouse stock content certainly aligns with that procured by specialist humanitarian agencies, but there is no evidence that information sharing or quality checking between the HLC and any of these partners has taken place.
- The appropriateness and relevance of the supplies that have been procured and delivered to recipient country NDMOs by HLC cannot be assessed, given that: a) the responsibility for last-mile distribution is not held by the HLC investment; and b) the HLC does not carry out regular post-operation monitoring in country, via Post or the NDMO to gather data on the types or numbers of beneficiaries receiving assistance.

c) Effective Supply Chain Logistics Function

Our analysis finds that the effectiveness of the supply chain logistics function was largely realised, however it was inconsistent and hampered by weaknesses in governance, communications, decision making, articulation of roles and responsibilities and monitoring, discussed in more detail in Section 2.4 (Efficiency). The effectiveness of the HLC’s supply chain logistics has relied on procurement decisions and partnerships with WoG (primarily ADF) to ensure movement of cargo and people from one place to another. While Palladium has been responsive, flexible and timely in responding to DFAT’s and WoG’s requests, this has not been without its risks, which are outlined below.



Risks

Workplace health and safety. Discussions with those working on and leading the HLC (including WoG staff) found that the working hours of response teams were unsustainable and stretched across evenings and weekends. Response communications were largely carried out via the individuals' workplace email accounts, phone and messaging apps (e.g., WhatsApp), which resulted in an apparent inability to “switch off”, particularly given the commitment of staff to the values of the HLC. It is recommended that a crisis management approach is established for the next phase of the HLC.

Value for money risks. Following the outbreak of COVID-19, it was necessary to rely on ADF assets for transporting relief supplies given commercial options were largely unavailable. Following the reinstatement of commercial options, it appears that there remains a reliance on ADF assets, given wider value for money elements including speed of supply, strategic benefits and expectations of recipient governments. The use of military assets is not considered best practice in the Humanitarian space and is a costly option. More details on costing of commercial options in preparing logistics operations for each response would be helpful to review best value for money and to understand the decision-making process and would be prudent in circumstances where responses require support over a longer period.

Interoperability risks. It has been found that information flows are not adequately controlled, and the governance and decision-making processes relating to each service order are not clear to all parties. This leads to risks in inter-operability with WoG partners, NGO partners, Posts, and within the DFAT/Palladium HLC team itself. There was inconsistency in feedback from AHP partners on the HLC, and while several partners reported positively, the review surfaced a number of challenges facing AHP and Red Cross partners in working with the HLC:

- Limited coordination and communication between responses with AHP partners in country
- AHP partners reported that costs were not always clear in terms of handling, services, and transport, and a partnership agreement may be a way of improving transparency and accountability
- Slow and unreliable provision of stock listings, sporadic rather than issued monthly as expected
- NGOs are not in charge of labelling and quality control of labels, yet the HLC has limited scope to support NGOs with this aspect of delivery. In some cases, labelling was found to be inaccurate and led to missing supplies.
- Uncertainty as to responsibilities within Palladium when seeking to escalate issues
- High turnover of staff in Palladium affecting information management and communication with AHP partners
- Procurement of high-demand supplies (particularly COVID-19 related) have led in some cases to competition with other DFAT teams in procurement in other countries
- Limited subject matter expertise in the health sector within Palladium's team
- Staffing within Palladium appears stretched, leading to delays in provision of warehouse updates and responses to queries.

Strategic risks. The focus by the HLC investment on response action over establishing and executing adequate monitoring, reporting and communications systems has led to a number of strategic risks. Weaknesses in transparency and accountability present a domestic risk given the public relations and foreign policy undertones of the HLC: i.e., currently it is not possible to supply DFAT leadership with up-to-date tracking of the overall HLC against its targets. Final tasking reports have not yet been submitted for all activations, and consistent reporting stalled from responses dating back to November 2020, representing an estimated AUD 65 million spend, as represented in Figure 8. Secondly, the review team has surfaced a number of examples where breaks in the logistics chain, either through human error, labelling issues or weaknesses in communications and coordination systems have led to missing or damaged supplies, which have resulted in diplomatic challenges in the



recipient country. Engagement with stakeholders found several response-specific cases where supplies were not effectively handed over to NDMO staff, risking the integrity of supplies such as COVID-19 vaccines that required careful handling. A clear program operations manual that determines the chain of custody of supplies, decision making points and roles and responsibilities, which is available to all parties, may go some way in reducing these risks.

2.3.3 Outcome 2: “The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to consular crises globally”

This outcome has not been delivered against, due to the lack of requests to the HLC for logistics assistance in consular crises. No action or reporting against Outcome 2 has been evidenced. It is recommended that DFAT consider removing this Outcome from the HLC, in consultation with the Consular Crisis Team.

2.3.4 Outcome 3: “Vulnerable groups including women, girls, the elderly and people with disabilities have safer and more secure access to appropriate and relevant humanitarian relief supplies”

The required planning, resourcing and monitoring that is needed to effectively deliver on Outcome 3 have not been carried out by the HLC, from Palladium’s or DFAT’s perspective. As a result, the mechanism has not delivered against this intended outcome.

Evidence of Results

Evidence of delivery and results against this outcome is entirely anecdotal. However, this limitation of monitoring evidence has been accepted as the basis for ratings given in DFAT’s annual internal performance and accountability measurement systems (IMR and the PPA), which until the most recent assessment in 2022 did not identify the significant gaps in progress and performance on gender and disability inclusion, indicating that DFAT HPD has not adequately held Palladium accountable for its delivery on this outcome area.

Palladium and DFAT both acknowledge that there have been gaps and limited technical capacity to effectively deliver GEDSI in the investment. The application of international standards and guidelines for procurement of humanitarian items provides some assurance that the “do no harm” principle has been applied when procurement decisions are made by DFAT or the contractor Palladium. The review established from anecdotal evidence some examples that demonstrate of GEDSI sensitive procurement and of packaging and labelling of response items:

- Solar lighting systems that provide cost efficient and effective way that helps strengthen protection and safety particularly for women and girls and mitigates against the risk of gender-based violence
- Provision of different sized water containers to cater for different strength and size of recipients
- Labelling of hygiene kits specifically targeted for women and girls

Palladium has procured some mobility assistive devices for person with physical disability. However, these items have not been distributed, and questions about their appropriateness for the local context have been raised. These items were purchased by Palladium using their own Corporate Social Responsibility fund rather than from the HLC procurement budget that would have been more appropriate, and the items were selected based on the advice of a service provider in Australia rather than seeking advice from suitably qualified sources including representatives from in-country Organisations of Disabled People (OPDs) or by seeking advice from DFAT’s Gender Equality and Disability Inclusion experts.

While the intent of Palladium was to demonstrate greater responsiveness to the needs of people with disability is positive, the questionable relevance and effectiveness of the items procured indicates the limited level of knowledge and understanding of the HLC team to apply approaches that are rights



based and support disability equality. Palladium has recently been made aware of DFAT's DID4All helpdesk managed by the NGO CBM and intends to draw on this resource for advice and guidance to help improve future disability inclusive practice by the HLC.

Lack of GEDSI Capacity and resourcing for GEDSI advice

The lack of advice on gender equality disability and social inclusion (GEDSI) advice being resourced, or otherwise sought and applied (e.g., on a consulting basis, via DFAT's own GEDSI capabilities, or from other relevant humanitarian partners), demonstrates that this outcome was not prioritised by the contactor or by the HPD.

Due to the lack of dedicated technical capacity, a GEDSI strategy and implementation plan has not been developed. As noted in the MEL section of this report, the development of a MEL system that would provide a systematic approach to data collection, analysis, accountability and learning on GEDSI in the investment, has also not taken place. The absence of both of these fundamental frameworks means that the implementation arrangements currently in place are inadequate to support the effective delivery of GEDSI in the HLC and has severely limited the availability of quality monitoring and evaluation data to measure progress and performance in this outcome.

While it is positive that since the outset of this phase of the investment there has been budget designated for GEDSI capacity in the HLC team, it is concerning that until August 2022, Palladium had not been able to recruit a suitably qualified and experienced person, even in a short term and time limited capacity, to fill the position of GEDSI Advisor. The absence of this position has meant that a GEDSI strategy and plan has not progressed and that systematic assessment of staff capacity and knowledge on GEDSI including training were identified as needed, has not taken place.

The lack of designated capacity on GEDSI within the HLC team has contributed to inaction on fundamental strategies to support delivery of the End of Investment Outcome 3 that were articulated in the HLC design. This includes the consistent application of safe and inclusive procurement, packaging and distribution of relief supplies, and drawing on the knowledge and expertise of relevant representative civil society organisations to support safe and equitable access. The collection of an appropriate level of disaggregated M&E data and its application for measuring and generating learning about effective inclusive practice also has not progressed.

Partnerships

The HLC design envisaged that maintaining partnerships and coordination with other actors including the AHP and Red Cross would support enhanced logistics capability and effectiveness. The design specifically noted these partners due to their strong locally based connections may be well placed to facilitate transportation of relief items and equipment and in the identification of the appropriate people/groups to receive the supplies. UNFPA and AHP NGOs and the Red Cross store items in the HLC warehouse facility and access the investments' distribution services. These agencies have specific capabilities and expertise, and for the AHP and Red Cross, contractual requirements to assure inclusive and safe practice. All of these organisations through their networks and partners have direct engagement with affected populations. The UNFPA as part of its funding agreement with DFAT has developed an effective AAP system specifically in its area of focus of responding to gender and sexual and reproductive health needs in humanitarian crises. The review team found no evidence of engagement of this nature between the HLC, and Australia's other humanitarian partners has occurred.

Implementation Arrangements

Two aspects of the HLC's implementation arrangements limit the extent to which the HLC effectively delivers the Outcome 3 – a) DFAT approves the requests from partner government for humanitarian assistance and the HLC is responsible for procurement and delivery of relief assistance in response



based on DFAT's approval of partner government requests; and b) the HLC is not responsible for 'last-mile' distribution.

As noted in section 3.3.2 (Effectiveness of Outcome 1), the current lines of responsibility for decision-making about procurement and deployment of relief items has contributed to the challenge of ensuring the items are suitable for and meet the needs of vulnerable groups. The decision-making process implemented by the HLC means that Palladium responds to requests received from DFAT for procurement and supply of assistance. DFAT's request is based on the request of partner governments that is generally based on an assessment managed by NDMOs or equivalent offices and communicated to Post. Palladium therefore acts as a responder, with responsibility to deliver the service rather than contributing to decisions about the most suitable items to procure and deploy.

"In my experience Palladium has responded to requests from Governments in the countries we are supporting, and have not provided any advice or recommendations in relation to vulnerability or disability" - eSurvey Respondent

With regards to the e-survey, the 22 respondents (made up of DFAT Desk and Post, other Australian government, NDMOs and NGOs) expressed a range of views about the extent to which the capability was accessible, and inclusive and responsive to the specific needs of vulnerable people and people at risk of exclusion due to their gender or disability. Most of the respondents were unsure, while many agreed (giving rates of somewhat or strong agreement) that the capability was responsive and effective. Few respondents provided practical examples to support the rating given.

The decision-making process that is in place means that both HLC and DFAT have limited scope to influence the extent to which the items requested are relevant and meet the needs of the vulnerable people, that is the objective of Outcome 3. Beyond ensuring that the items in stock and deployed meet international standards ("do no harm") there is no evidence that the HLC currently is able to or expected by DFAT to contribute advice about the suitability of the requests from partner governments or seek information about the extent that the request is based on assessment of the needs of specific vulnerable groups, and the challenges and risks of safe and equitable access of relief assistance.

Anecdotal evidence indicates that there is variable capacity and commitment of partner governments to apply inclusion and protection considerations in their immediate humanitarian need assessments. Given this situation and the lack of agency for HLC to advise or influence the requests received from partner government, it means that the current decision-making process does not support progress towards achievement of this End of Investment Outcome.

GEDSI-appropriate supplies

Due to not being involved in the 'last mile' distribution to affected populations, the HLC has very scant information about the extent about the appropriateness of the relief items deployed and about fairness and equality of access and benefit for recipients. A concern was raised by one DFAT Post about the suitability of the range and packaging of items provided by the HLC: *"the stock in the warehouse are standard; they are catering for majority of the population. It is not packaged to be easily movable by those who are vulnerable or with physical disabilities. [It is] designed for bulk delivery, and the capability has not examined the end users nor the "last mile" challenges."* [eSurvey response].

The HLC Design did not anticipate that the capability would engage in 'last-mile delivery', and therefore directly engage in delivering process to ensure accountability to affected populations (AAP). The design did however provide for other options including seeking and supporting representation and agency of affected vulnerable groups and ensuring disability inclusion and gender equality are in the MEL system through a targeted annual learning and reflection process. If these options had been applied it would have enabled the HLC team and DFAT to measure results for the intermediate outcome: *Vulnerable groups have timely access to appropriate and relevant relief supplies and Women*



and people with disabilities are actively participating in all stages of crisis responses, including in decision-making – and so demonstrate progress towards Outcome 3.

2.4 Evaluation Question 3. EFFICIENCY

To what extent are management and partnership arrangements supporting or constraining achievement of outcomes?

The overarching governance, management and partnership arrangements for the investment are outlined in the investment design document (Section E: Implementation Arrangements) and to some extent in the HLC Deed of Standing Offer between DFAT and Palladium (Schedule 1, Attachment 2). These have not been laid out in detail via an Implementation Handbook, for example, so roles and responsibilities are not well articulated and understood across the stakeholders and partnerships. Based on document review and KIIs, the review team understand the governance and partnership arrangements to be as illustrated in Figure 4 and Figure 5.

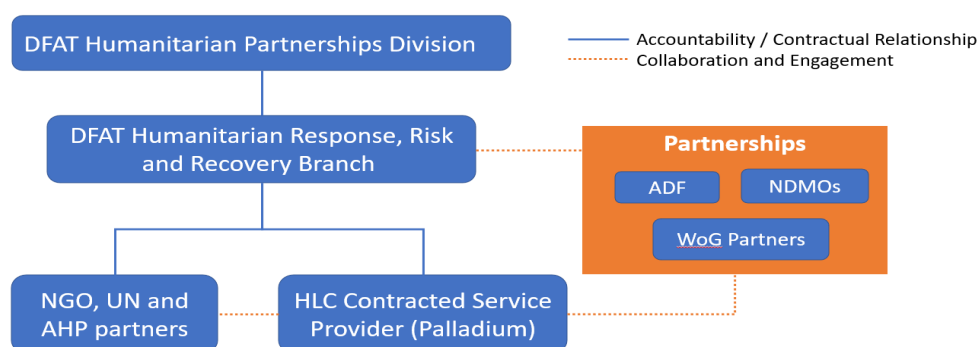


Figure 4: HLC Investment Governance Arrangement as understood by the Review Team

Role	Responsibilities
DFAT Humanitarian Partnerships Division	Overall accountability and strategic decision making for HLC Investment
DFAT Humanitarian Response, Risk and Recovery Branch	Responsible for managing the HLC Investment, as well as coordination and engagement with response mechanisms involving DFAT, ADF, contracted service provider and other parties
HLC Contracted Services Provider (Palladium)	Responsible for the HLC contract, including logistics, procurement and warehouse management. Engagement with NGO, UN and AHP partners where relevant. Engagement with ADF and WoG partners where required.
NGO, UN and AHP Partners	Once activated, responding as necessary. Engagement with Palladium for logistical support and warehouse storage coordination. Other actions under AHP partnership agreement.
ADF	Engagement with DFAT and Palladium for logistics support where appropriate. Coordination with NDMOs and other recipient country partner organisations.
WoG Partners	Requests for assistance (e.g., from Post) to Palladium/DFAT, supply of information where relevant
NDMOs	Requests for assistance directly to DFAT, coordination with relevant logistics operator to ensure smooth transit of goods.

Figure 5: Roles and Responsibilities in governance arrangements for HLC Investment

On commencement of the current HLC Investment, the governance and implementation arrangements, systems and processes were not adequately established nor documented in order to realise the design in full. Unlike new investments that would usually involve an inception phase to establish governance and management arrangements as well as wider implementation processes, it appears that this investment has been treated as a replacement or continuation of the previous Humanitarian Logistics contract, so transitioned from the previous way of working without regard to



the amendments and revisions made in the 2018 design. As a result, roles and responsibilities and overarching frameworks for MEL, communications, risk assessment, decision making pathways, or implementation of EOPO3 were not formalised or operationalised, nor well communicated across the various stakeholders involved in its delivery. This has led to delivery challenges, under-reporting and inefficiencies, which are detailed in this section.

The review has found that the partnership and governance arrangements in the design appear to be adequate for the delivery of the HLC investment, this remains to some extent to be seen once the detailed implementation arrangements are articulated and agreed upon by DFAT, Palladium, ADF, other WoG partners, and communicated with wider implementation partners and stakeholders.

2.4.1 Decision Making

Engagement with key informants found that when queries relating to where the humanitarian decision making points for the HLC mechanism were located, all parties identified the ultimate decision making sitting with DFAT. DFAT informants frequently noted the informal (non-contractual) role that Palladium has played in guiding the procurement of appropriate humanitarian supplies, as well as in training DFAT HPD staff. With ambiguity around where responsibility lies for humanitarian technical guidance that informs the supplies procured, the technical adherence of said goods cannot be verified. There is a gap in the investment design for provision of technical guidance and advice on humanitarian best practice, expertise that is no longer housed within specialist roles in DFAT, and this has resulted in a gap in leadership and decision making to guide humanitarian best practice.

2.4.2 Contract Management by DFAT HPD

The review has found that throughout the HLC contract, DFAT HPD have not held Palladium accountable for their contractual obligations in finalising and executing the implementation arrangements, reporting and accountability. The review found some weaknesses in contract management and humanitarian logistics capacity within the HPD team. Support has been provided by Palladium via informal training to HPD staff in the latter. The review team considers this to present a risk to the independence and critical assessment of the HPD team in managing the Palladium HLC contract. There is a need for DFAT to ensure that staff leading this complex engagement are adequately trained and/or experienced in contract management, program delivery and humanitarian logistics operations.

The second factor relating to weaknesses in contract management relates to the demanding nature of the role within DFAT HPD to respond to and manage multiple, complex requests for assistance concurrently and from across the region and beyond, within a small team. This has led to DFAT staff working well beyond their contracted hours, including weekends, to fulfill the requirements of support requests, and deprioritising other issues such as tracking the delivery of more standard contractual obligations, such as regular reporting. The HLC Investment Manager within DFAT HPD has the role of managing the delivery of the overarching contract by Palladium, and this responsibility has fallen short in its execution: in ensuring that Palladium deliver against their obligations, and in ensuring that DFAT HPD staff are resourced, skilled and directed to manage each service order in a similar manner.

Finally, it has been found that there is a level of uncertainty held by DFAT staff in the decision-making roles and responsibilities for the HLC. For instance, the contents of a request for assistance by a recipient country NDMO are seldom challenged by DFAT. This is attributed to the high demands being placed on HPD staff due to the volume of incoming response requests, and uncertain lines of accountability for decision making. This has led to issues with scope creep, such as the contractor undertaking an advisory role to DFAT beyond humanitarian logistics, and ill-defined roles and responsibilities between WoG partners and the HLC delivery teams.



2.4.3 Management of the HLC Contract by Palladium

Palladium needs to restructure its HLC contract management resourcing, systems and processes to ensure that management and governance processes are reinforced and supported by well-articulated protocols and processes. This would allow for sharing or transfer of responsibilities and reduce the risk of over-reliance on specific individuals. The running of such a large, complex and demanding contract requires a broad set of capabilities to not only be compliant but also to ensure appropriate attention and adequate staff is allocated to support ongoing improvement in areas such as technical oversight and management of the administrative elements of the capability.

Resourcing

Resourcing of the HLC has been underestimated, on both DFAT and Palladium's side. This has led to under-quoting resourcing per SO for reporting against delivery, and little resourcing for overarching contract compliance (quality assurance, MEL, communications etc.). Sporadic engagement of surge response leads, without effective systems and processes to capture and embed lessons, has undermined continuity and quality of the HLC response. This is both a design and resourcing weakness.

2.4.4 DFAT HPD Capacity

There is limited evidence that DFAT HPD has utilised the technical expertise available within DFAT and its wider partnerships to support the mechanism in following humanitarian best practice that Australia has committed to, such as Accountability to Affected Populations (AAP), Do No Harm principles, or inclusion. There were multiple reports from both those involved in the HLC and other in DFAT technical areas of frustrations and rub points. On the part of those managing the HLC, workload pushed staff to make pragmatic decisions that preferred the facilitation of ongoing activities over the engagement of technical support that would inadvertently compound their workload and slow response efforts. Without an active MEL framework or effective governance structure that built the integration of technical expert guidance into operations, the HLC continued to operate without the quality assurance and technical inputs from other areas that might have supported closer alignment with Australia's commitments to humanitarian best practice.

Current arrangements within DFAT do not allocate clear responsibility for HLC adherence to best practice humanitarian action. There is limited evidence that DFAT HPD has utilised the technical expertise available within DFAT and its wider partnerships to support the mechanism in following Australia's commitments to humanitarian best practice. Key informant interviews asked DFAT staff where the formal humanitarian technical knowledge supporting the HLC resided. No respondent was able to indicate a specific responsible party with many noting that Palladium or longer term HPD personnel performed the role or were the repositories of HLC expertise. Many suggested that clear responsibility for HLC technical guidance was a significant gap in the management of the mechanism.

Humanitarian Capacity Building

Without technical specialist recruitment and retention, DFAT staff often come into HPD with limited technical knowledge or expertise in humanitarian response or logistics. DFAT officers rotated into HPD currently do not have formal pathways to acquire the humanitarian skills and knowledge necessary to ensure adherence with international standards and DFAT's own humanitarian policy. Many HPD staff report coming from non-humanitarian background and 'learning on the job', with many noting the role that Palladium played in informally upskilling staff. This crucial yet informal role of Palladium in mentoring new HPD staff around HLC operations has built a reliance on a commercial agent with no contractual obligation and accountability to recruit staff with formal humanitarian expertise. It has been suggested that some of the success of the mechanism has related to HPD 'long-stayers' who built significant knowledge and expertise in HLC operations alongside the long-term Palladium personnel with humanitarian technical knowledge.



HPD's internal efforts to support capacity building were overwhelmed before COVID-19 and became largely redundant during COVID-19. Prior to the Pandemic HPD had commissioned the Humanitarian Advisory Group (HAG) to undertake mapping of required humanitarian skill for different levels of HPD staff. The resulting report was used to engage a consultant to develop a humanitarian competency framework and aligned training that would create pathways to ensure DFAT staff had the humanitarian technical skills required for job responsibilities. This work was also discontinued in 2019 when HPD workload was stretched by a multitude of concurrent crises.

In the past HPD had some opportunities for incoming and existing staff to strengthen their readiness to support response activities including the HLC including through attendance of the RedR Australia Essentials of Humanitarian Practice course. Staff also had the opportunity to engage in Canberra based humanitarian training as a part of membership of the Crisis Response team (CRT) or the Crisis Cadre. Overseas Development Assistance (ODA) eligible Posts in the Indo-Pacific also benefited from HPD training support through the delivery of Humanitarian Emergency Response Training's (HERT) on a rotating basis. This included sessions around the effective activation, management and reporting on the HLC. The same HPD staff responsible for this work were also managing responses in Australia. Even before the COVID-19 pandemic this Post focused training was impacted by the significant workload. COVID-19 brought an even larger workload on HPD with available capacity for Post support shifted online.

DFAT's Humanitarian Policy

The 2016 DFAT Humanitarian Policy was noted to be 'under review' in the early stages of the evaluation and has been removed from the DFAT website. In the absence of a subsequent revised policy, Humanitarian Logistics Framework (2018) theoretically stands as the core reference document that should guide DFAT led WoG humanitarian action. The Partnerships for Recovery: Australia's COVID-19 Development Response is not humanitarian in nature. In the process of undertaking this evaluation, the team found limited ongoing reference to the COVID-19 policy or HLC Framework (2018) for any of the internal or external stakeholders engaged in the HLC. There was no evidence that it was being utilised as a reference to guide strategic implementation of HLC through the contractor.

DFAT Incident Management Systems

The review team found that incident management procedures (such as staff rosters) are not in place for all or most responses which would support improved coordinated and coherent WoG responses to crises, and would help redress staff health and safety risks, specifically relating to working hours. Incident Management Systems, including those operating within DFAT are designed to establish systems, procedures and processes that ensure a continuous flow of accurate, critical, up-to-date, and relevant information between key stakeholders across at all levels.

DFAT's Incident Management System is housed within the Crisis Centre under the oversight of the Consular section and activated to support large scale WoG responses overseas. The advantages of WoG responses to crises overseas being housed in the Crisis Centre include close coordination and communication between all stakeholders. For DFAT, the Incident Management Systems' primary concerns include consular and humanitarian functions often required in international crises. Staff in the Crisis Centre login to a function (e.g., logistics) for rostered periods allowing clear accountability and handover for the duration of the CC activation. They are also removed from the day to day of their regular position to focus on response operations.

It was reported that previously Incident Management System arrangements included humanitarian specific functions in the Crisis Centre, either drawn from HPD or from adequately trained Crisis Cadre members. While it is unclear whether the move preceded the COVID-19 pandemic or not, it was reported that humanitarian functions have been removed from the Crisis Centre when activated, with HPD staff taking on response management functions from their regular desks and in addition to regular functions.



There are ramifications for both response efforts and the wellbeing of DFAT staff. It reduces the coherence of Australia's response and may lead to gaps or duplication of efforts (including in the engagement with Palladium as a contractor). On the staff side, it requires staff to manage responses from their personal DFAT emails and phones with no handover or clear, traceable trails of communication where decision points can be identified. It also means that staff are involved in a response for its duration, with limited ability to handover functions to others, meaning they are never removed from the demands of their regular roles. Multiple internal DFAT stakeholders noted the added stress and undue burden this placed on their roles resulted in burn out. One respondent noted that their commitment and passion for the role in HPD was not sufficient to remain in the role as the pressure of messages and calls at all hours (also an indication of an absence of clear communication protocols) eventually overwhelmed them leading to their request to move on. Re-inclusion in the Crisis Centre will only partially address the challenge as the Crisis Centre isn't stood up for all crises. The continued management of one or more crises that do not prompt a Crisis Centre activation will still be required from HPD without any significant restructuring of existing roles and functions.

2.4.5 AHP engagement with HLC

The evidence gathered suggests that while AHP and other partners are largely positive about the HLC, there is inconsistency in satisfaction and there is much room for improvements in reporting, coordination, relationship management and communications.

Warehousing

Most partners consulted during the review noted that Palladium performed a professional warehousing function that largely ensured their goods were kept and dispatched in an orderly fashion. Partners procure items through their own systems and store them in the Brisbane warehouse ahead of a disaster mobilisation and subsequent distribution. Partners noted the availability of the warehousing function relieved them of a financial burden that allowed them to prioritise spending on programming. It also means that NGOs and United Nations (UN) agencies are less likely to duplicate efforts in establishing warehousing facilities. Given that many of these same agencies receive significant investment from DFAT, this creates significant value for money sense on the part of Australia's humanitarian spend.

The goods packaged and stored by partners in the Brisbane warehouse are largely identical to those procured by Palladium on DFAT's behalf. Adherence to best practice humanitarian standards and innovation means that contents of family kits, shelter kits, water sanitation and hygiene (WASH) kits and other emergency relief supplies is standardised. Palladium has used the humanitarian expertise of its logistics staff (not a contracted function) to develop standard internationally aligned kits that sit side by side with those of partners. At present no forum exists around the standardisation of goods in the warehouse, collective procurement or interoperability. The expertise held by dedicated humanitarian agencies funded by DFAT has not been utilised to inform or quality assure the Palladium procurement nor to explore option for a replenishment model that would allow partners to draw upon standardised kits for distribution.

Communications and coordination

While most NGO and UN partners reported ease of communications with Palladium, the provision detailed reporting on stock levels was at times not regular or as detailed as was expected. Expected monthly stock reports were not always provided on-time requiring multiple efforts to follow up. Palladium has no obligations under the contract to know the content of partner supplies in the warehouse and as such reports on items by 'kit' or as packaged by the partners. For one NGO this has resulted in challenges on their side as staff and record keeping on their end meant that they, at times, lacked required visibility on the stocks held in the warehouse. While this is an issue on the part of the NGO under current arrangements, it had led to internal conversations they were having around the suitability of ongoing prepositioned supplies.



Transportation of AHP goods

The AHP partners consulted noted that one of the principal challenges they faced with the HLC related to the transportation of relief supplies housed in the warehouse. It was noted by all involved in the HLC that DFAT bilateral donations are prioritised on commercial and defence assets with left over space being offered to partners. This means that partners, often lacking financial means to organise timely transport options, are unable to organise the timely mobilisation of prepositioned relief supplies.

NGO partners consulted appeared to be largely unaware of the procurement and bilateral distribution of goods by DFAT. One noted that 'it now makes sense' why they were often told that there were limited space offered to them and why their goods were often 'bumped off'. This undermines (often DFAT funded, but also privately funded) efforts these partners to implement effective responses. On one side they may receive funds through the AHP as the best placed agencies to implement a response in a certain area, on the other their pre-positioned goods are de-prioritised in the loading space hindering their response operations. Agencies positively noted that the inclusion of their goods means that they can have regionally prepositioned goods, but that their response budgets would not be sufficient to charter flights and that shipping often doesn't allow the goods to arrive with sufficient time. This lack of predictability ultimately limits the utility of their engagement with the HLC.

The fact that AHP partners were unaware of DFAT bilateral relief donations suggests that they are not being used by NDMOs or national governments to support the systematic distribution of goods aligned with humanitarian best practice. This means that in contexts where NGOs are best positioned to lead on the distribution of relief supplies in accordance with need, they neither have access to bilaterally donated goods nor their own prepositioned relief supplies to do so.

2.4.6 ADF engagement with HLC

There has been positive engagement from ADF in moving supplies with active annual engagement between Palladium and ADF. The partnership arrangements are challenging, particularly around the tasking hierarchy, in which tasking ADF to manage/control the movement of supplies must come from government, rather than a contractor. The review has found a heavy reliance on ADF to move supplies which is inconsistent with best practice on the use of commercial options under the Oslo Guidelines,³ and presents a risk to Australia's ability to respond to humanitarian crises if ADF assets are occupied with the defence of Australia and its national interests.

2.5 Evaluation Question 4: Monitoring, Evaluation and Learning (MEL)

To what extent is accurate and meaningful performance evidence generated, and how is this informing decision-making processes?

There is limited accurate and meaningful performance or process evidence generated against this investment, and very little evidence of systems through which to feed evidence back into implementation and decision-making.

2.5.1 HLC Investment MEL Commitments

The HLC Investment design document outlines the need for the following MEL arrangement: *"DFAT will be responsible for coordinating the implementation of M&E arrangements through mechanisms at both the investment level for the Humanitarian Logistics Capability and through contractual arrangements entered into under this investment."* (HLC Design Document, p21)

Unfortunately, DFAT has not established an investment-level HLC M&E framework, so there is no current framework to measure the success of the investment against its outcomes, nor are systems in place to support the gathering of evidence to inform decision making. This shortfall should have been

³ <https://www.unocha.org/sites/unocha/files/OSLO%20Guidelines%20Rev%201.1%20-%20Nov%2007.pdf>



acknowledged and addressed early on in the investment through DFAT’s internal quality assurance processes, and through regular internal performance monitoring of investments by DFAT HPD contract managers.

The review team found weaknesses in DFAT’s internal accountability and performance management processes, which over years reported ratings that were not substantiated by the evidence available. Further, significant improvements to ensure robust M&E were not recommended until the fifth year of the investment. The internal accountability and performance processes relied on anecdotal data, and this appears to have inadvertently limited the ability for DFAT to effectively reflect on the investment’s strengths, weaknesses and opportunities to improve. Most recent processes have acknowledged the weaknesses in M&E, GEDSI and other accountability and performance issues, which aligns with the findings of this review.

Provided below in Figure 6 is the section of the Indicative Performance Framework that covers indicators, and the reporting provided by HLC has been mapped onto these with comments and a Red/Amber/Green (RAG) rating as to the extent to which the indicator was adequately measured throughout the investment. It is clear that the reporting taking place at present does not sufficiently address the requirements of the indicative performance framework.

Intermediate Outcomes	Indicators	Comments and RAG rating
1. Targeted communities have timely access to appropriate and relevant relief supplies	1. Time taken to respond to a humanitarian emergency ⁴	Request date and arrival date provided in some post op reports, not time taken. No definition of “timely”
	2. Nature of assistance (type and quantity of relief supplies) provided, disaggregated by emergency	Provided in Master Spreadsheet
2. Warehouses are stocked with appropriate, prepositioned relief supplies	3. Extent of effectiveness implementing the investment components: procurement, storage and handling, freight and transport logistics, deployment support, specialist logistics personnel and expertise	No definition for “effectiveness”. Some narrative information in Post Op reports.
3. The commercial provider is providing appropriate logistical support (for preparedness and responses) to the Australian Government for consular responses	4. Number of people receiving consular crisis assistance	N/A - No responses against this outcome
	5. Time taken for consular assistance to be provided, disaggregated by consular crisis	N/A - No responses against this outcome

⁴ Measurement of this indicator includes time taken to respond to a humanitarian emergency: (1) from the time a request for assistance is received; and (2) the delivery of supplies to the affected population.



Intermediate Outcomes	Indicators	Comments and RAG rating
4. Vulnerable groups have timely access to appropriate and relevant relief supplies	6. Number of vulnerable women, men, girls and boys provided with humanitarian assistance, disaggregated by sex, age and disability	Not provided in Master Spreadsheet or Post Op Report. "Vulnerable" not defined. Required disaggregated data not reported either through direct data collection or secondary sources
5. Women and people with disabilities are actively participating in all stages of crisis responses, including in decision-making	7. Extent to which women and people with disabilities participate and are engaged in decision making on priorities and resource allocations in humanitarian crises	Not provided in Master Spreadsheet or Post Op Report. "Vulnerable" not defined. Data not disaggregated.

Figure 6: Assessment of reporting against Design Document M&E Framework

Further, the indicative performance framework does not incorporate the breadth of priorities, objectives and processes that constitute the HLC as outlined in the Investment Design Document. For example, the importance of partnerships, including ADF-DFAT collaboration, coordination and communication; the AHP partners and the Red Cross; and engagement with and capacity building support to NDMOs in partner countries. Other priorities that are not captured in the M&E framework but are worth measuring due to their importance in terms of DFAT's intentions include:

- **Public diplomacy objectives:** Ensuring appropriate public awareness in Australia and in the partner country remain an enduring priority in Australia's humanitarian responses
- **Value for money (VfM):** Ensuring the best use of Australian taxpayers' money is at all times a critical consideration in the utilisation of the HLC
- **Innovation:** Continually improving practices and embracing new opportunities is an important mechanism for enhancing effectiveness and maintaining value for money
- **Localisation:** Reinforcing rather than replacing local systems and markets will enhance effectiveness and long-term impact

The proposed investment-level M&E framework should ensure that it articulates, qualifies and/or quantifies how the HLC investment contributes to these priorities, and what success looks like by the end of the investment.



2.5.2 HLC Contract M&E

Relevant Document	Commitment	HLC Compliance
Deed of Standing Offer	The contractor shall comply with, undertake and participate in all relevant M&E activities specified in the Investment Design Document, including the M&E framework developed as part of SO1	Not compliant (see below)
Deed of Standing Offer	The contractor's performance will be assessed by DFAT against the KPIs and performance benchmarks identified in the M&E framework agreed to by DFAT as specified in SO1	Not compliant. No KPIs developed or reviewed annually for DFAT performance assessment. DFAT responsibility
SO1	The contractor shall provide ongoing core reporting, and information management services in relation to [this SO]... reports will include:	Semi-compliant (see below). Ideally regular reporting would be compiled into narrative reports and attached to monthly invoices to substantiate spend.
SO1	a) Business continuity contingency plan (within 60 days of commencement)	Business Contingency Plan drafted/submitted on 7/12/2018. An update was provided for COVID-19 specifics, was developed in 2020/2021. Compliant.
SO1	b) M&E Framework (within 60 days of SO commencement) developed in consultation with and agreed to by DFAT with it being reviewed by DFAT on an annual basis	Some progress has been made between DFAT and Palladium to develop a M&E framework, but this is still in draft form, and is not utilised by the HLC. Not compliant.
SO1	c) Consolidated DFAT Procurement Status Report , to be available to DFAT on-line at all times	Reported during weekly HLC operational meetings (DFAT/Palladium). Stores Dispatch summaries are created and shared with the relevant DFAT representative for each particular SO. Not online at all times.
SO1	d) Consolidated DFAT Cargo Movement Tracking Report , to be available to DFAT on-line at all times	Reported on at weekly HLC operational meetings. Master Data Index of all cargo movement is available to DFAT at all times. Compliant.
SO1	e) Consolidated DFAT Expenditure Database , to be available to DFAT on-line at all times	Expenditure Database is maintained by Palladium and available to DFAT at all times. Compliant.
SO2	Consolidated Stock Report, to be available to DFAT on-line at all times	Consolidated Stores List is maintained by Palladium and available to DFAT at all times. Compliant.
SO2	DFAT Warehouse Facility Report, to be available to DFAT on-line at all times	Unclear whether this is maintained and available to DFAT at all times.

Figure 7: Summary of M&E commitments and delivery by HLC

The HLC Contract Deed of Standing Offer refers to the Indicative Performance Framework in the design document as a guide, and SO1 provides further detail as to the contractual obligations as to the M&E of the HLC Contract. It is acknowledged by DFAT and Palladium that the HLC Contract M&E framework is not complete nor compliant with the commitments outlined in the contract documentation. While the contractual responsibility for the development and delivery of the M&E framework sits with Palladium, DFAT had some responsibility in ensuring contractual compliance.

Figure 7 above provides a summary of the various M&E obligations outlined in HLC contract documents and assesses the extent to which Palladium and DFAT have complied with these using a red, amber, green (RAG) rating system. While several reporting requirements are adhered to, it is clear that the contract does not meet DFAT M&E standards. It is important to note that development of key performance indicators (KPI) and the M&E framework relies on consultation with DFAT, so



responsibility for this non-compliance by Palladium can be shared to an extent with DFAT and its contract management performance.

2.5.3 Reporting and Accountability

As noted above, some reporting is taking place within the investment, however given it is not linked to an agreed framework or set of MEL processes or verification, the reporting does not comply with DFAT M&E standards or those applied in the humanitarian response context. The data provided in the expenditure reports noted above are not linked to service orders, and this makes tracking expenditure against responses almost impossible. This is exacerbated by the process of invoicing, as items are purchased to replenish warehouse goods as and when this is needed, which creates a time lag between transportation of supplies to invoicing, which may be against multiple responses to a range of countries given the standardised nature of much of the warehouse stocks. This also assumes that warehouse supplies are replaced like-for-like, which may not be the case where there may be variation in cost, quality or innovation that influence the items that are purchased. More narrative reporting is needed to link invoicing and expenditure with service orders to track actual spend.

Available Documentation	# Responses	% Responses	Total Value	% Total value
Total number of responses	68	100%	\$99,752,979	100%
Without Service Order document	7	10%	\$5,667,275	6%
Without Post Response Report	37	54%	\$65,667,778	66%

Figure 8: Summary of Reporting against Service Orders

The following descriptors apply to the terms included in figure 8:

- **Service Order document** - The signed contract relating to each specific response, allocating a service order number, contract maximum, timings, resourcing, and specifics of the tasking note. Prepared by DFAT HPD for HLC Contractor, based on preliminary tasking notes shared via email.
- **Post Response Report** - The report prepared by HLC Contractor following the completion of a Service Order and submitted to DFAT HPD according to the reporting stipulations in Service Order 1. Report includes: background of the Service Order; financial summary (acquittal) by logistics operations fee, personnel costs and operational costs, with explanation of variation from contract budget; lessons learned and concluding remarks; and photographic evidence where relevant and feasible.

The provisions in SO1 require post-operation reports for each SO, summarising the response, providing financial information on budget and actual spend, lessons learned, and photographic evidence of the response. At the time of this review, data for 68 service orders were available, and final tasking reports have not yet been submitted for all activations, with consistent reporting stalled from responses dating back to November 2020, representing an estimated AUD 65 million spend, as represented in Figure 8. This is a crucial element of accountability and transparency that underpins the Review Team’s recommendations for improving MEL systems and processes. Figure 8 above provides a summary of the reporting that was supplied to the Review Team by the HLC (with the help of Palladium and DFAT). The review has found no evidence of financial misconduct, and no such claim is being made in this report, although it is important to qualify that it was not within the remit of this review to undertake a detailed financial assessment. However, it is concerning that compliance to contractual reporting was so inadequate as to allow for 70 percent of the HLC contracted spend to go without substantive reporting of activities, results and spend. The summary does include core Service Orders 1-3, given the lack of wider reporting for these against an agreed MEL framework.

Regular reporting on HLC that does take place between Palladium and DFAT includes:

- Weekly operations meeting between DFAT HPD and Palladium HLC team, for updates on all open SOs, procurement processes and wider operations issues;



- Consolidated DFAT procurement status report (weekly);
- Consolidated DFAT Cargo Movement Tracking Report (weekly);
- Consolidated DFAT Expenditure Database (ongoing, including monthly invoicing).

The Consolidated Master Data consolidates all tracking data of supplies according to each Service Order. This includes the response type, start and end dates of transported supplies, distance travelled, description of supplies sent, units dispatched, weight of supplies, dollar value, and means of transport. It is managed by HLC Contractor, shared with DFAT HPD at all times, and discussed with DFAT HPD during weekly operations meetings. At the time the data available was reviewed, data for 40 percent (28) responses had been recorded on the Consolidated Master Data system.

2.5.4 Feedback mechanisms

This review found that there are no standardised processes or systems by which stakeholders are able to provide feedback on the quality and appropriateness of supplies, nor of the effectiveness or efficiency of response operations. While some reports were noted to have been made regarding the quality of supplies, and issues with handover of goods from Post, NDMOs, and NGO partners, these have been ad hoc and part of wider discussions with HPD staff on other issues. There is currently no process or repository to feed this into, in order to make use of the feedback through improvements in delivery either by DFAT HPD or the HLC contract.

2.5.5 Learning

The Design Document sets out a range of mechanisms at the Investment level to support learning, reflection and decision-making processes. Regular operational level meetings take place for information sharing and updates between DFAT, Palladium and other stakeholders present. Several After Action Reviews (AAR) have taken place, however these appear to focus on the response as a whole, rather than specifically on the performance of the HLC. There is a Standard Operating Procedure (SOP) in place for leading AARs, however the processes required to embed lessons learned into decision making and implementation (e.g., via proposed annual strategic meetings) have not been established by DFAT HPD.

Beyond regular coordination and internal aid quality checks (IMR and PPA processes), there is limited evidence of the many of the mechanisms proposed in the investment design taking place, nor of any related documentation or integration of lessons learned into delivery of the HLC at the strategic or operational levels. While lessons learned are captured in the Post Operation Reports, opportunities have been missed to establish mechanisms or processes by which those lessons could have been systematically integrated into future responses, such as via those proposed in the investment design:

- Periodic tests of joint protocols, procedures and response mechanisms involving DFAT, ADF, contractor and other parties where appropriate as well as periodic assessment of the appropriateness of prepositioned relief supplies
- Annual in-house mini reviews (critical issues sessions) at the operational level of DFAT, ADF, contractor, and where appropriate, other partner agencies, to reflect on lessons learned and adjust investment arrangements in an iterative way
- Annual strategic meetings (preferably in-person, otherwise by video/teleconferences) between DFAT, ADF and contractor senior management to review coordination and preparedness and agree priorities for the next twelve months
- Surveys that address access to and the usefulness of relief supplies distributed as well as the contribution of Australian assistance towards needs of those affected (under the HLC Contract). There is evidence that this took place once (Tropical Cyclone Harold), and it is reasonable to expect that COVID-19 was a constraint, however the lack of survey activity prior to the outbreak of the pandemic (almost 2 years) is worth noting



- Rapid review to assess the extent of progress towards the expected end-of-investment outcomes and to determine if the investment continues to meet DFAT's strategic and operational needs and if any changes to the investment are required. Rapid reviews will be required every two years over the life of the investment.
- Systematically integrate lessons learned into future humanitarian responses.

3. RECOMMENDATIONS

The headline recommendation as a result of this review is for DFAT HPD to lead a design refresh of the HLC investment, with support from an external provider to facilitate the process and ensure all areas of the design refresh are brought up to standard. It is recommended that DFAT continues with the current contractor, and that the design refresh is carried out in collaboration with the contractor, and in consultation with the wider partnerships and stakeholders (WoG partners, ADF, NDMOs, NGOs and UN partners). Importantly, the priority of the design refresh should be to detail the governance, implementation and accountability arrangements as standard program documentation, which also lays out the role of the contractor and the partnerships involved in the delivery of the HLC.

3.1 Overarching HLC Investment Design

3.1.1 Scale and Scope of the HLC Investment

Recommendation 1: 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.

Recommendation 2: It is recommended that the HLC Investment retains its "humanitarian" element (i.e., not existing as a purely a logistical function), and that the criteria for the mechanism's activation be articulated clearly, including decision making processes and channels.

3.1.2 Investment Outcomes

As part of the design refresh, the review team recommends the following amendments to outcomes.

Recommendation 3: Retain Outcome 1, as this is the core function of the HLC, and ensure that the design refresh incorporates any decisions around scale and scope mentioned above.

Recommendation 4: Remove Outcome 2, in consultation with the Consular Crisis Team, as this is not a core function of the capability. The option for the Consular Crisis Team to engage with the HLC should be included as a WoG partner within the governance and implementation arrangements to enable them to utilise the HLC if the need arises.

Recommendation 5: Retain Outcome 3, given its relevance to Australia's policy commitment to GEDSI and humanitarian assistance and in line with Australia's global leadership and strong advocacy on these areas, with modification (see below).

As part of the design refresh process, it is recommended that the wording of Outcome 3 is modified to ensure the outcome area better aligns with the responsibilities and decision-making parameters and the implementation arrangements of the HLC. The specific aspects that need to be considered are the ability of the HLC to advise and influence decisions that contribute to safe and accessible relief assistance, and the limits in regard to 'last-mile' delivery and direct engagement with affected populations. The review team suggests the following revised Outcome 3 statement: "Outcome 3: Appropriate and relevant humanitarian relief supplies are procured and prepared for distribution as



part of ensuring that vulnerable groups have safe and equitable access to humanitarian relief supplies that are appropriate and relevant to their immediate needs.”

3.1.3 Governance and management arrangements

Recommendation 6: 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. This should include formalisation of decision-making roles and triggers, flows of communication, and information channels. This will involve designing clear operational mechanisms for appropriate use of HLC by WoG partners, and AHP partners, based on the decisions made around scale and scope mentioned above.

Technical advisory inputs

Recommendation 7: 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.

3.1.4 Monitoring, Evaluation and Learning

Recommendation 8: DFAT is recommended to instruct Palladium to design and implement an overarching HLC Investment MEL strategy. To enable effective M&E of progress and performance against intended outcomes the Investment-level strategy should include the following:

- **Theory of Change diagram and narrative**, in particular noting the assumptions and causal pathways that the investment logic is based upon.
- **Components** of the investment:
 - Procurement of Humanitarian Emergency Relief Supplies (HERS) and Equipment
 - Storage and Handling of Pre-Positioned Supplies and Equipment
 - Humanitarian Freight and Transport Logistics
 - Deployment Support
 - Specialist Logistics Personnel and Expertise
 - Consular Crisis Management Support Capability
 - GEDSI
- **Stakeholders** involved and their roles and responsibilities in delivering HLC, including DFATHPD, Palladium, WoG partners, humanitarian implementing partners (Red Cross, AHP Partners, UN agencies), partner governments (NDMOs, defence, customs) and the broader international responders (other donors).
- **A Results Framework** that articulates:
 - End of Investment Outcomes and related Outputs
 - The Priority Objectives (as noted in 2.5.1)
 - Outcome and Output related indicators, targets, sources of data and assumptions
 - Specific GEDSI indicators, targets, sources of data, and tools to support reliable and safe collection and analysis
 - Roles and responsibilities of the stakeholders that contribute to the M&E framework
 - Monitoring tools and reporting templates, including a schedule of MEL activities
 - Plans for verification of results (if possible)

3.1.5 Risk Management

Recommendation 9: DFAT is recommended to design and implement risk assessment and risk mitigation arrangements, which focus on the areas of risk identified in section 2.3.2.



3.2 Implementation

3.2.1 DFAT HPD management of HLC

DFAT is recommended to carry out the following adjustments to the implementation of the HLC:

Recommendation 10: Reinstate humanitarian and logistics training for staff managing the HLC. This would involve reengaging with work to establish a DFAT humanitarian competency framework and learning pathways. At a minimum, ensure that staff likely to be work on a response (either directly as a part of their role, or seconded through the Crisis Cadre) have completed:

- All Staff: RedR Australia's Essentials of Humanitarian Practice or equivalent (e.g., course offerings by the Deakin Centre for Humanitarian Leadership (CHL))
- HLC Staff: RedR Australia's Humanitarian Logistics in Emergencies course or equivalent (e.g., CHL course offerings)

Recommendation 11: DFAT is also 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.

In addition, DFAT should recommence regular training for CRT members to ensure those likely to be deployed overseas as surge staff are equipped with the necessary skills and knowledge to support both consular and humanitarian response needs (including the HLC)

Recommendation 12: Reintegrate HPD into crisis response / internal incident management mechanisms. This would also involve establishing more robust HPD incident management systems to strengthen response work. DFAT is recommended to engage with the Consular and Crisis Management Division (CCD) to reintegrate humanitarian functions activated when the Crisis Centre is stood up. This would involve DFAT to develop SOPs for HPD that establish Incident Management Systems that support effective management of crises when Crisis Centre has not been stood up. Additionally, DFAT should consider setting up functional (e.g., incident manager, logistics, information management etc.) email accounts for HPD that are used for response work and ensure response staff have rostered duties.

Recommendation 13: Review HPD staff capacity and retention. DFAT is recommended to review staff capacity to ensure adequate skills and resources are allocated to the crisis response, contract management, monitoring, evaluation and learning, and GEDSI. This would involve:

- Considering increasing the FTE associated with direct management of the HLC commensurate with scale
- Establish clear systems and processes that explicitly link the work of DFAT technical and MEL specialists into the management of the HLC

DFAT is recommended to review staff retention to understand the drivers of the churn within HPD, and the recruitment of staff inexperienced in humanitarian response and/or logistics. Regardless of future structure, DFAT are recommended to maintain oversight of, and regularly review the real workload of HPD response staff to ensure it meets occupational health and safety requirements.

3.2.2 HLC Contract with Palladium

Recommendation 14: In accordance with the implementation and governance arrangements articulated as part of the investment design refresh, DFAT is recommended to instruct Palladium to design and execute HLC Contract implementation arrangements aligned with the overarching HLC Investment. Palladium to operate standard crisis centre processes and procedures to manage responses, to streamline communications and information flows, improve WHS impacts on staff, and provide a clear points of contact for WoG and AHP partners.

Recommendation 15: Palladium is recommended to rearrange its management structure as follows:



- Contract Manager (program management expert delivering oversight and contract compliance)
- Operations Manager (humanitarian logistics expert to oversee SOs, embed lessons learned across the program)
- Core team of Response Leads that are engaged on an ongoing basis (rather than sporadically engaged as SOs are issued)

3.3 Gender Equality, Disability and Social Inclusion

To strengthen to an appropriate level the capacity required to manage and deliver GEDSI outcomes in the operational and program aspects of the investment, it is recommended that the following specific actions are undertaken.

Recommendation 16: Palladium 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 including gender, disability, older people, children, religious and ethnic minority groups, and the locations predominantly in the Indo-Pacific.

Recommendation 17: Prioritise the development of a GEDSI strategy and implementation plan for the HLC by Palladium, ensuring it is undertaken with meaningful and inclusive consultation that draws on the extensive localised knowledge and experience of representatives of groups representing the interest and needs of vulnerable people located in the Indo-Pacific, and is quality assured by DFAT's Gender Equality and Disability Inclusion experts and additional independent reviewers with experience and expertise in GEDSI and humanitarian response programming.

Recommendation 18: Commitment and leadership by senior management of Palladium to promote GEDSI in all aspects of investment by dedicating an appropriate level of resources to support effective implementation and by holding staff accountable through performance management for quality delivery against priorities and targets set in the GEDSI strategy, and that are reported on to DFAT as part of routine progress monitoring and accountability.

Recommendation 19: Establish an HLC GEDSI reference group with advisory and accountability oversight responsibilities that is made up of representative of vulnerable / at risk groups, DFAT (e.g., staff from Gender Equality and Disability Inclusion experts) and from other humanitarian partners UNFPA and AHP who utilise the services of the HLC and have relevant experience, expertise and local networks and partners in inclusion and in accountability of affected and vulnerable populations.

Annex 1: Terms of Reference

DFAT's Humanitarian Logistics Capability Evaluation 2022 Consultant's Terms of Reference

Background and Orientation

Background

The Department of Foreign Affairs and Trade (DFAT) is responsible for leading the Australian Government's response to international humanitarian crises. Effective and timely storage, transport and deployment of humanitarian supplies is central to DFAT's humanitarian response capability. This capability is critical in the Pacific region, where Australia plays a leading role in humanitarian responses. DFAT's management, oversight and coordination with its logistics contractor has the potential to strengthen or undermine its broader humanitarian response capability.

The DFAT Humanitarian Logistics Framework 2018-28 was established with its purpose as follows:

To facilitate timely, effective and flexible delivery of Australian humanitarian assistance by providing appropriate high-quality humanitarian supply chain logistics support.

A Humanitarian Logistics Capability Investment Design was approved in 2018 to underpin DFAT's commitment to respond within 48 hours of a request for assistance to simultaneous emergencies in the region. The expected outcomes of the investment are as follows:

1. The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to humanitarian emergencies in the Indo-Pacific region.
2. The Australian Government has suitable logistics capability to respond in a timely, effective and appropriate manner to consular crises globally.
3. Vulnerable groups, including women, girls, the elderly, and people with disabilities, have safer and more secure access to appropriate and relevant humanitarian relief supplies.

The logistics investment (INN032) spans ten years, from 1 July 2018 to 30 June 2028, and has an indicative value of \$22m. DFAT's humanitarian logistics contract with a commercial partner is the primary vehicle to deliver this investment. Palladium was contracted through an open procurement process as our partner. The specific components of the investment are as

follows:

1. Procurement of Humanitarian Emergency Relief Supplies (HERS) and Equipment
2. Storage and Handling of pre-positioned Supplies and Equipment
3. Humanitarian Freight and Transport Logistics
4. Deployment Support
5. Specialist Logistics Personnel and Expertise
6. Consular Crisis Management Support Capability.

To deliver these capabilities, DFAT signed a five-year Deed with Palladium (#74788), with an option to extend for up to five years. There are two initial Service Orders (SO) under the Deed. The first creates logistics expertise, and the second establishes emergency supplies warehouses in Brisbane and Sydney. Eight additional SOs further strengthen DFAT's response capability, such as additional support and storage. The total value for all SOs under the logistics program over the full five years totals \$10.2m (including both expensed and not yet expensed). Further, other areas in DFAT use the Deed to provide emergency supplies and logistics, particularly in the Indo-Pacific. The total value of all SOs under this Deed over the five years is \$70.9m, to date.

The humanitarian landscape has changed substantially since the beginning of the investment in 2018. The global community is facing unprecedented humanitarian demand in response to the health challenges posed by COVID-19, including in the Indo-Pacific region. DFAT has responded to an unprecedented volume of humanitarian crises since the beginning of the COVID-19 Pandemic, significantly increasing the throughput and complexity of DFAT's logistics capability.

Purpose

The evaluation will review the performance of DFAT's logistics capability, to assist DFAT to identify areas for improvement for the remaining investment period. This review aligns with the mid-point of DFAT's contract with Palladium. As DFAT will continue to require a contracted partner to deliver the Humanitarian Logistics Framework 2018-28 the findings from the evaluation will inform management decisions, including whether to extend the current contract with Palladium and/or whether an update of the investment design is required.

Key Evaluation Questions

In a changing humanitarian environment, the evaluation must consider whether this design and delivery model is still fit for purpose to achieve the expected outcomes. It needs to consider the effectiveness and efficiency of our capability and review the monitoring and evaluation systems, including information systems. The evaluation should also consider social inclusion and environmental sustainability and how these can be further strengthened.

The evaluation should respond to the following indicative key evaluation questions with a credible evidence base. The evaluation team will develop a draft evaluation plan in line with [DFAT M&E Standard 5](#). The consultant will work with DFAT to suggest, refine and finalise the evaluation plan.

Key questions are as follows:

Relevance – To what extent is the investment design and implementation fit to achieve the intended outcomes? What impact has the changing humanitarian environment had on the capability's relevance?

Effectiveness – to what extent have intended outcomes been achieved?

Efficiency – to what extent are activities to outputs (outcomes) timely, cost-effective, and to the expected standard? To what extent has efficiency been maintained given the challenging operating environment?

Performance, Monitoring and Evaluation – to what extent has the M&E system-generated credible information used for management decision-making?

Thematic issues - to what extent have implementing arrangements addressed social inclusion and environmental issues?

Evaluation Process

Methodology

The evaluation process and methodology will be documented as part of the Evaluation Plan, with the draft agreed by DFAT before finalisation. It is expected the evaluation at a minimum would include:

- A desktop review of relevant program documentation and international literature.
- Interviews with internal and external stakeholders involved in the implementation of the investment (including DFAT desks, posts, relevant program managers, partners and other nations and international actors).
- Data analysis and synthesis of findings to ensure recommendations are underpinned by evidence.

Timeline and Deliverables

The evaluation should begin in early 2022 and should be completed by August 2022 in order for the evaluation to be completed well in advance of any decision being made to extend the current contract with Palladium for another five years. DFAT estimates 60-80 working days approximately for the evaluation, 40-50 days for any design and another 20-30 days for additional tasks.

A detailed evaluation schedule will be included in the Evaluation Plan. An indicative overall schedule of works is as follows:

Activity	Estimate Time
1. The team will complete inception briefings to discuss background, issues and priorities with stakeholders.	Three weeks
2. Document review and appraisal completed.	Three weeks
3. Evaluation Plan to be completed.	Two weeks
4. The team will conduct data collection, fieldwork, interviews and analysis.	Four weeks
5. The team will prepare an Aide Memoire with findings and stakeholder feedback workshops.	Four weeks
6. The team will draft Evaluation Report (in accordance with DFAT M&E Standard 6), consult stakeholders and finalise the report.	Four weeks
7. DFAT publication of the final evaluation on the DFAT website as per the Evaluation Policy.	Four weeks

Other additional tasks

Other tasks that apply an evaluative lens and support quality decision-making in humanitarian partnerships and related work of the Humanitarian Division may also be included under this service order through tasking notes, for example, a future investment design to support quality decision-making in humanitarian partnerships may also be included under this service order. Additional tasks may be carried out under this service order as defined in tasking notes mutually agreed over email.

Evaluation Team Composition

To ensure the findings are objective, the evaluation will be conducted by a team of independent consultants who are not directly involved in program management and who have reputable experience in humanitarian response. The team will be responsible for the technical quality of the evaluation and the preparation and writing of all deliverables, including the Evaluation Plan and Draft and Final Reports. The team must demonstrate the experience, skills and ability to deliver in line with [DFAT M&E Standard 6](#).

The team is the most crucial element of the evaluation. The contracted consultants should be able to draw on a wide range of expertise to be able to address the range of key questions and the scope of this evaluation. We expect the team would be comprised of no more than four people and would have gender balance. The Evaluation Plan should outline how the Evaluation Team members will contribute under the overall management of the Team Leader. The team should include, as a minimum, the following skills:

1. A Team Leader who is a Design, Monitoring and Evaluation specialist.
2. Humanitarian expertise, specifically in the Pacific region.
3. Experience in sudden onset emergency response reviews.
4. Experience in procurement and logistics.
5. Gender equality and social inclusion expertise (e.g., a gender specialist).

The following table summarised key requirements for the Evaluation Leader

Position	Requirements
Evaluation Leader	<p>Excellent analytical, evaluation and communication (verbal and written) skills. Extensive experience reviewing and/or evaluating programs, preferably in the humanitarian sector.</p> <p>Strong knowledge and experience in technical aspects of complex humanitarian response.</p> <p>Knowledge of the delivery and operation of donor-funded programs, or the ability to source this information.</p> <p>Knowledge of DFAT’s systems and policies.</p> <p>Ability to lead a small, diverse evaluation team and empower team members.</p> <p>Fluency in English</p>

The table below is an example of an Evaluation Team and key responsibilities. However, this is indicative, and the consultant should propose an appropriate mix of people and skills to achieve the best outcome.

Position	Responsibilities
Evaluation Leader	<p>Lead and manage the team, including overseeing the inputs of other team members.</p> <p>Develop the Evaluation Plan, including the overall approach and review methodology.</p> <p>Lead and attend meetings with key interlocutors.</p> <p>Develop and present an aide-memoire, with input and assistance from team members as required.</p> <p>Produce a draft and final report in accordance with the agreed Evaluation Plan.</p> <p>Ensure overall quality of deliverables and appropriate communication with DFAT.</p>
Humanitarian Specialist	<p>Provide inputs into the development of the Evaluation Plan, including the overall approach and review methodology.</p> <p>Attend key meetings and/or lead consultations with stakeholders.</p> <p>Contribute to the analytical workshop and the development and presentation of the aide-memoire to stakeholders and DFAT.</p> <p>Contribute to producing a draft and final report in accordance with the agreed Evaluation Plan.</p>
Inclusion Specialist	<p>Provide inputs into the development of the Evaluation Plan, including the overall approach and review methodology.</p> <p>Attend key meetings and/or lead consultations with stakeholders.</p> <p>Contribute to the analytical workshop and the development and presentation of the aide-memoire to stakeholders and DFAT.</p> <p>Contribute to producing a draft and final report in accordance with the agreed Evaluation Plan</p>

Communication and Reporting

The Evaluation Team should include in the Evaluation Plan tentative schedules for verbal and written reporting to DFAT. The team should communicate regularly (e.g., weekly) with DFAT’s contact officer, Krishan Prathapan. The Evaluation Plan should include a recommended schedule of meetings with the DFAT contact officer (in addition to meeting with other various stakeholders). The team will be accountable to Assistant Secretary, Humanitarian Branch, Rebecca Bryant. The team may be asked, from time to time, to report to other DFAT staff and stakeholders.

Attachment A - Key Stakeholders

A range of stakeholders will need to be consulted in this process. This will ensure that the evaluation incorporates a broad range of views and needs. At the same time, it must be noted that stakeholders are also going through extensive reforms (for example, consular modernisation and the national medical stockpile). Therefore, regular engagement with stakeholders will ensure alignment and information sharing across interdependent public sector reform programs. Key stakeholders include:

- Australian Defence Force
- National Critical Care and Trauma Response Centre (NCCTRC)
- Department of Health
- Emergency Management Australia
- NSW and QLD Fire and Emergency Services (which provide Urban Search and Rescue and Disaster Assistance Response Teams)
- Various areas across DFAT
 - Humanitarian Division, Consular Division, Aid Contracting Division, Centre for Health Security, Office of The Pacific.
- Key regional Posts and Desks with experience receiving teams and supplies (Fiji, Port Moresby, Port Vila)
- Palladium, including areas providing logistics support to the UK's Foreign, Commonwealth and Development Office (FCDO).
- Recipient's and/or groups that can represent various recipients.
- Other foreign ministries/international actors providing humanitarian logistics.

Attachment B – List of Inputs, References and Attachments to be provided to the Evaluation Team

The Evaluation Team will initially be provided with the documents listed below and will meet Humanitarian Response Branch representatives ahead of finalising the Evaluation Plan. The documents that will be provided to the team are as follows:

- Palladium Contract and Service Orders
- Palladium Investment Monitoring Report 2020
- Palladium Partner Performance Assessments 2020
- Palladium Indicative Performance Framework 2020
- DFAT Monitoring and Evaluation Standards April 2017
- Investment Design – DFAT's Humanitarian Logistics Capability
- Independent Review of Australia's Humanitarian Logistics Capability 2011-2017
- DFAT Administrative Circular 167/21 Humanitarian Response, Risk and Recovery Branch Restructure.
- Humanitarian Logistics Framework 2018-2028
- United Nations Office for the Coordination of Humanitarian Affairs Indicators Registry

Attachment C – List of existing Service Orders under the Deed with Palladium

The following service orders fall under the humanitarian logistics framework investment

(INN032) and are within the scope of this evaluation:

1. 74788/1 – Core Logistics Management Resources (Global)
2. 74788/2 – Warehouse Management Services (Australia)
3. 74788/8 Logistics Support to Australian Preparation for APEC (Australia)
4. 74788/9 Relocation of Brisbane Humanitarian Warehouse (Australia)
5. 74788/10 – Pre-Positioning Humanitarian Supplies for the 2018/19 Tropical Cyclone Season
6. 74788/14 – Sure support for core logistics management resources (Australia)
7. 74788/21 – Pre-Positioning Humanitarian Supplies for the 19/20 Tropical Cyclone Season (Asia Pacific)
8. 74788/23 – Replenishment of Humanitarian Emergency Supply Target Stock
9. 74788/50 – Humanitarian Oxygen Supplies to support COVID-19 responses (Asia Pacific)
10. 74788/52 – Surge Support for Core Logistics Management Resources. (Australia)

Other Service Orders

The Evaluation Plan should include a sample of services orders managed by other program areas. For example, Port Moresby Post's October 2021 COVID-19 response and other service orders overseen by the Office of the Pacific or the Centre for Health Security. These service orders fall under the Deed of Standing Offer with Palladium but are managed by other work units outside the Humanitarian and Partnerships Division. Including an appropriate sample will assist in reviewing the necessary scope and capacity of our logistics capability.



Annex 2: Detailed Evaluation Plan

Overarching Evaluation Question: “To what extent is the Humanitarian Logistics Capability mechanism fit for purpose, and how could this be improved?”

Sub-question 1: RELEVANCE: To what extent is the investment design and implementation fit to achieve the intended outcomes? What impact has the changing humanitarian environment had on the capability’s relevance?

Lines of inquiry	Data collection methods	Main sources of data	Data analysis
To what extent is DFAT’s Humanitarian Logistics Capability relevant to the current and emerging needs in the region? How have changes within DFAT/WoG and in the wider humanitarian context affected delivery? To what extent does the mechanism contribute to Australia’s policy priorities and commitments more broadly in humanitarian action? Do the outcomes remain salient?	KII Doc review e-survey	Palladium/ DFAT HPD Regional posts/desks Regional agencies/NGOs Grey literature Published literature	Triangulation Case study Descriptive stats Expert insights
How is the mechanism relevant and appropriate to Whole of Government (WoG) use, needs and priorities?	KII Doc review e-survey	Palladium/ DFAT HPD WoG partners Regional posts/desks Partners	Triangulation Descriptive stats Expert insights

Sub-question 2: EFFECTIVENESS: To what extent has the investment achieved the intended outcomes?

Lines of inquiry	Data collection methods	Main sources of data	Data analysis
To what extent has Palladium delivered against its objectives? To what extent is Thrive expected to improve delivery? How well has DFAT delivered against its mechanism-specific responsibilities, humanitarian strategy and policies in the Pacific?	KII Doc Review	Palladium/ DFAT HPD Grey literature	Triangulation of data



Lines of inquiry	Data collection methods	Main sources of data	Data analysis
<p>What risks are present as part of this mechanism and how have they been managed and mitigated?</p> <p>How has Australia’s <u>strategic</u> risk been managed under this mechanism, and how could this mechanism better equip DFAT to provide rapid, appropriate and effective response to crises in the region?</p> <p>To what extent have <u>fiduciary</u> risks of the current mechanism arrangements been managed and mitigated by DFAT?</p> <p>What risks have there been to <u>domestic relationships</u> in the delivery of this mechanism, and how have these been managed and mitigated?</p> <p>To what extent have <u>workplace health and safety</u> risks presented themselves, and what impact have these had on personnel (DFAT and Palladium), and wider implementation?</p> <p>How well is the mechanism designed and implemented for <u>interoperability</u> between DFAT, Palladium, WoG partners, humanitarian agencies and other governments?</p> <p>To what extent have risks associated with <u>PSEAH and Child safety</u> been managed, through resourcing, capacity, systems, and processes in line with Australia’s nationally legislated requirements and international commitments?</p>	<p>KII Doc review</p>	<p>DFAT HPD Regional posts/desks Regional agencies/ NGOs, WoG Partners QUAD partners</p> <p>Grey literature Published literature</p>	<p>Triangulation Expert insights</p>
<p>Is the mechanism delivering the right supplies to the right people?</p> <p>To what extent have affected populations been engaged with in decision making around humanitarian relief supplies and distribution?</p>	<p>KII Doc review</p>	<p>Palladium/ DFAT WoG Partners Regional agencies/ NGOs, Regional posts/ desks. Grey/Published literature</p>	<p>Triangulation Case study AAP analysis Outcome Harvesting Descriptive stats Expert insights</p>
<p>How well is the mechanism progressing towards intended outcomes related to gender, disability and social inclusion?</p> <p>To what extent have issues of GEDSI been incorporated and addressed in the design and/or implementation of this mechanism?</p> <p>In what ways has Palladium engaged with and benefited from GEDSI capability and experience in the Pacific through DFAT’s programming, and national and regional networks and organisations (e.g., women’s organisations, organisations of disabled people or PDF)?</p>	<p>KII Doc review</p>	<p>Palladium/ DFAT Regional posts/desks Regional agencies/ NGOs Grey literature Published literature</p>	<p>Triangulation Descriptive stats Case study Outcome Harvesting Expert insights</p>



Lines of inquiry	Data collection methods	Main sources of data	Data analysis
<p>To what extent has the environmental impact of the supplies and procedures in DFAT’s humanitarian response been considered?</p> <p>Is the mechanism promoting resilience in the region? (i) How is this mechanism enabling or constraining PICs’ structures, mechanisms and institutions to build resilience as part of DFAT’s humanitarian response?; and (ii) What are DFAT’s expectations in relation to the mechanism’s role in recovery and resilience? Is it appropriate for this mechanism to promote resilience?</p>	<p>KII Doc review e-survey</p>	<p>Palladium/ DFAT Regional posts/desks Regional agencies/ NGOs, WoG Partners PIC Govt response Grey literature Published literature</p>	<p>Triangulation Descriptive stats Expert insights</p>

Sub-question 3: EFFICIENCY: To what extent are management and partnership arrangements supporting or constraining achievement of outcomes?

Lines of inquiry	Data collection methods	Main sources of data	Data analysis
<p>To what extent is the mechanism set up to support coordination and alignment: (i) between DFAT and Whole of Government partners? Are the roles and responsibilities defined, and how effectively are these being carried out?; and (ii) between and among agencies, such as the posts, Canberra, the delivery partner, and others?</p>	<p>KII Doc review e-survey</p>	<p>Palladium/ DFAT WoG Partners Regional posts/desks Grey literature</p>	<p>Triangulation Descriptive stats Expert insights</p>
<p>Has aid funding been used appropriately and efficiently under this mechanism to support delivery of outcomes? What are the resource constraints?</p> <p>How has Covid affected efficiency?</p> <p>What elements of Palladium’s delivery approach have contributed to the value for money proposition? How has cross department collaboration, localisation and other approaches supported VfM?</p> <p>Is the mechanism allowing DFAT to make the most of Palladium’s logistical and wider response capabilities?</p>	<p>KII Doc Review</p>	<p>Palladium/ DFAT Grey literature</p>	<p>Triangulation Expert insights</p>
<p>To what extent is DFAT leveraging existing knowledge, expertise and capacity of humanitarian partners and regional and national response structures in the region? (e.g., Other bilateral donors, AHP, SPC, NDMOs, UN etc.?)</p>	<p>KII Doc review</p>	<p>Palladium/DFAT, WoG Partners, Regional posts/desks, Regional agencies/ NGOs. Grey/ Published literature</p>	<p>Triangulation Expert insights</p>



Sub-question 4: MEL: To what extent is accurate and meaningful performance evidence generated, and how is this informing decision-making processes?

Lines of inquiry	Data collection methods	Main sources of data	Data analysis
<p>How well has evidence of performance and results been gathered and managed by DFAT and Palladium?</p> <p>How is evidence used to inform decision making under this mechanism, and what processes and systems are in place to ensure this is embedded? Are the wider units (e.g., Posts) engaged in this process?</p> <p>In what ways are the experiences, needs and priorities of different groups in affected populations assessed and used to inform ongoing refinement and improvement of response capability?</p> <p>To what extent are MEL and accountability systems made accessible and meaningful for safe and inclusive engagement by groups often excluded due to location, language and communication barriers and power imbalance.</p>	<p>KII</p> <p>Doc review</p>	<p>Palladium/ DFAT HPD</p> <p>Palladium UK</p> <p>Grey literature</p>	<p>Triangulation</p> <p>Outcome Harvesting</p> <p>Case study</p> <p>Expert insights</p>



Annex 3 Case Studies

Case study 1

Logistics Support to the Australian Response to TC Harold - Vanuatu

Service Order	26	County	Vanuatu
Duration	April 2020 to June 2021	Invoiced Amount	\$1,576,803.25

TC Harold first hit Vanuatu on 5 April, having escalated to a Category 5 Tropical Cyclone. The material dispatched was a combination of standard core relief items and targeted procurements including specialist medical equipment, pharmacological and medical material supplies and PPE known to be effective at reducing the spread of Covid; HERS; shelter; WASH; and energy supplies. The response was based out of the Brisbane warehouse. Supplies were transported via the ADF. Supplies were distributed via various partners including the National Disaster Management Office (NDMO), Vanuatu Red Cross and non-government organisations.

Due to having pre-warning of the incoming cyclone, the HLC was able to prepare to respond in advance. Staff were not surprised when the formal tasking note came through as conversations were already underway with DFAT and Palladium was in the process of standing up their team. Key staff members were already dealing with TC Harold in Fiji, and this made for an easy transition over the new response. Wider conversations were also underway with Vanuatu Red Cross Society and Post, with both reaching out to one another in anticipation of the cyclones impact. These early conversations lead to strong communication lines being established from the beginning of the response.

Communication channels were established early with the ADF to assist in coordination of the response. Effective and direct communication was vital due to the concurrent dispatch of multiple cargo loads of similar material to both Vanuatu and Fiji as part of the response to this event. Photos were taken of all pallets to ensure customs documents and manifests were correct for the ADF. Further, **open and transparent communication with AHP partners** – in flagging free space – was useful to assist in coordination of the response.

Staff capacity was a key issue across multiple parts of the response. A lack of organic response leads within Palladium hindered their ability to quickly respond. Post requested engagement of locally engaged personnel by DFAT but there were delays in contracting. Some of DFAT's own internal staff lacked experience increasing pressure on those skills in response management. Further there was a lack of coordination internally in DFAT, slowing communication channels and requiring time spent getting DFAT up to speed on the totality of the response. Distribution of goods was also difficult as the NDMO lacked a strong logistics capability which led at times to their goods (that were provided by DFAT) not being effectively supervised, monitored or distributed.

The concurrent responses, particularly in Fiji greatly reduced the capacity of both DFAT and Palladium staff. This caused confusion as the same people were responsible for delivery of similar goods to similar responses across multiple countries.

Significant issues also occurred in writing manifests documents. For example, goods arriving in Santo were received but remained in customs for up to a month due to issues with manifest documents. Palladium would often cover the differences in dispatch requirement between DFAT and the ADF.

Staging the response out of Brisbane proved effective and a proof of concept for future responses. Co-locating the leadership team, physically in Brisbane provided a modicum of additional assistance when staging material out of the Brisbane warehouse. Close cooperation and coordination with the ADF LO ensured a smooth transfer of goods and information. HLC was stretched to support this activity



as well as other ongoing responses. Additional personnel would have assisted in maintaining the high operational tempo while undertaking other important contractual activities and requirements. Final tasking note reporting was completed providing key financial metrics on goods delivered and costs of staffing and replenishment.



Photo left: Building L Pallets

Photo right: Loading truck Brisbane

Case study 2

Logistics Support to Australian Response to Flooding and COVID outbreak – Timor-Leste

Service Order	SO 45	County	Timor-Leste
Duration	April 2021 to June 2022	Invoiced Amount	\$1,320,479.68

On the 4th of April 2021, devastating floods resulting from Tropical Cyclone Seroja hit the Dili municipality and its surrounding communities. During the natural disaster, a COVID-19 outbreak worsened and the Timorese Public Health system became overwhelmed. The response included the procurement of humanitarian emergency relief store (HERS), as well as emergency medical assistance and supplies. Palladium was engaged by the Australian Government to support both the flood relief and medical response efforts, particularly procuring and transporting medical equipment for the National Hospital and in support of the Australian Medical Assistance Team (AUSMAT) deployed to assist with the COVID-19 outbreak. Over 11 flights, the Humanitarian Logistics Capability (HLC) team sent AUD 1.44 million worth of HERS, medical and lab equipment, PPE, and water filtration systems. A total of 62 metric tonnes of DFAT aid was also transported by the HLC team, with a further 13 tonnes of Australian Red Cross (ARC) and New Zealand’s Ministry of Foreign Affairs and Trade (MFAT) relief stores. Amongst vital hospital supplies and consumables procured and sent by Palladium, there were 41,000 pieces of PPE, 184 oxygen cylinders, 1 mobile Xray machine, and 9 oxygen concentrators.

The DFAT team were successful in quickly securing an Air Nauru aircraft and chartering this aircraft for 3 flights despite the difficulties of reaching Timor-Leste by air. This allowed the HLC to transport large bulky items including the NOMAD water filtration kit, 184 Oxygen Cylinders and their stillages, a Shimadzu Mobile Xray machine, and MFAT’s large portable toilets. Securing early commercial contract is important where ADF assets cannot mobilised.

The AUSMAT team expressed the urgent need for 100 to 200 Oxygen Cylinders as the number of severe COVID-19 cases increased in April-May period. The suppliers were unable to fulfill the request to paint cylinders to fit the Australian Medical Oxygen supply standard prior to sending, leaving the HLC team with the responsibility of making these items fit for purpose prior to departing to Timor-Leste. The HLC team successfully acquired 184 cylinders, that were spray painted by HLC warehouse



personnel upon receipt and dispatched again within a 15-hour window. Bull-nose valve (instead of the widely available Australian standard Pin-Index Valve) connectors were fitted to 100 of the cylinders, whilst adaptors were sourced for the remaining 84 cylinders to meet the short lead time. **Without these additions, the cylinders simply would not work in a country which used a different connection to the widely accepted Australian standard.**

Considerable cost savings were achieved through the replenishment of HERS by combining replenishment orders with previous Tropical Cyclone responses. This allowed the HLC team to fill allocated shipping containers (FCL) rather than shipping half or quarter full containers (LCL). Despite this the HLC team were subject to exuberant freight container costs given the international shortage, paying over USD 10,000 per container and having to re-issue purchase orders to share the brunt of an unstable freight economy with trusted relief suppliers.

The final Tasking Report was completed which provides necessary metrics procurement.



Picture left – Hygiene kits and oxygen cylinder stillages arrive in Timor-Leste

Picture right: Dili, Timor-Leste inundated with flood waters following Cyclone Seroja (UNDRR, 2022)
<https://www.undrr.org/news/timor-leste-floods-teach-costly-lessons>



Annex 4 – Recommendations relating to Emerging Changes in HLC Investment

DFAT HPD has made the Review team aware of several new directions being explored in parallel to this Review. One involves a mapping exercise into warehouse localisation across the Pacific Region, and the other involves learning lessons from the UK FCDO model. These processes sit outside the scope of the DFAT HLC Review at its outset, however they may potentially affect the HLC. This challenges the relevance of the current design and provides impetus for modifications to be made. The recommendations provided in the Aide Memoire do not deal directly with these changes in direction, however based on the findings of the review, a number of recommendations may be relevant to the “scenarios” presented below. The review team have not been involved with, or had sight of, documentation or decision making around this work being done separately.

1. Warehouse Localisation across the Pacific region

The review findings suggest that HPD clarify the problem this change is looking to solve, and the benefits it is looking to create. For example, is this a strategic decision, or for the purpose of more effective/efficient humanitarian logistics response? It would be pertinent to consider the experiences and lessons learned of partners already engaged in localised warehousing (including UNFPA/IPPF) to better understand the risks and benefits of such an approach. Warehouse localisation risks include:

- wastage of unused items
- the need for regular replenishment
- overburdening of Governments in managing warehouse and local logistics arrangements
- waste management of expired supplies
- stock loss through theft
- lack of resources to manage distribution to affected areas
- reputational risks in the event of poor or unethical use of Australian aid supplies.

2. Learning from the UK FCDO model

DFAT HPD is exploring embedding Palladium staff into the DFAT HPD team in Canberra, and outsourcing technical advice and inputs such as preparedness, security, forecasting and briefing materials, and ad hoc training. The latter would require a full procurement process and additional resourcing given the move away from strict provision of HLC. The benefits of engaging additional technical advice include:

- improving the quality of humanitarian response
- supporting capacity of DFAT staff (via training and cooperation)
- limiting the impact of DFAT ‘staff churn’
- increasing coherence between procurement / warehouse operations and Canberra
- Outsourcing some accountability risk away from DFAT.

The risks include:

- high costs
- security and strategic risks in relying on private contractors
- outsources the humanitarian accountability to a commercial actor whose commercial interests may conflict with best practice
- ignores the capacity of established humanitarian actors (UN, Red Cross, AHP etc.) to support the delivery of quality humanitarian relief supplies to affected populations
- continued tasking complications with commercial actors unable to task WoG actors
- creates an overreliance on a single commercial operator (difficult to replace once embedded).



Annex 5 – List of Stakeholders consulted via KII and eSurvey

Key Informant Interviews (KII)

These were in the form of 45-minute to 1 hour semi structured interviews with key informants who are close to the mechanism (such as Palladium, DFAT HPD staff, Warehouse staff etc) and were likely to be well informed about the mechanism and invested in the outcome of the review. KIIs were carried out by one or more of the Review team. DFAT was overrepresented in these interviews, particularly within the Humanitarian, NGOs and Partnerships Division (HPD).

DFAT Key Informants

- Humanitarian Response Operations Section
- Humanitarian Response Planning Section
- Humanitarian Deployment Section
- Australian Humanitarian Partnership, Humanitarian Deployment Section
- Humanitarian Partnerships and Thematic Priorities Section
- Humanitarian Development Section
- Learning and Engagement Section
- Covid Response Health and Contingency Branch, Pacific Melanesia Division
- DFAT Red Cross Contact
- Timor Leste Post
- Timor Leste Desk
- Fiji Post
- Fiji Desk
- Vanuatu Post
- Vanuatu Desk

Palladium Key Informants

- Humanitarian Logistics
- Planning and Sustainment
- Response Operations

NDMOs

- Timor Leste
- Vanuatu

UN, NGOs and AHP Partners

- Australia Red Cross
- Vanuatu Red Cross
- Caritas Australia
- Save the Children Australia
- World Vision Australia
- United Nations Population Fund

Others

- Pacific Disability Forum



- Partnerships for Human Development
- Australian Defence Force

E-Survey

An e-survey was used as a method of gathering opinions and feedback on specific areas of the mechanism from a wider audience, where a KII was not appropriate, or the respondent may have less time/inclination to engage more deeply with the review team. The e-survey was in form of a 10–12-minute online survey accessible via an email link. There were 23 responses in the eSurvey in total with the following representatives:

DFAT

- Consular Crisis Management Division
- Global Health Division
- Desk
- Post (Philippines, Tonga, Indonesia, Solomon Islands)

Other Agencies

- Humanitarian Agencies
- Pacific Regional Agencies

Whole of Government Partners

The survey was sent out to the following stakeholders:

DFAT

- Solomon Islands Post / Desk
- India Post / Desk
- Kiribati Post / Desk
- Indonesia Post / Desk
- Philippines Post / Desk
- PNG Post / Desk
- Tonga Post / Desk
- Vietnam Post / Desk
- Crisis Management and GWO Section
- CHS Operations Support Section
- Japan Political and Strategic Section

Whole of Government Partners

- Department of Health
- National Critical Care and Trauma Response Centre

ADF Military Strategic Command

Partner Government organisations

- Solomon Islands Ministry of Health
- Solomon Islands National Molecular Laboratory
- Solomon Islands National Medical Store
- Solomon Islands Islands Referral Hospital
- PNG National Control Centre



- PNG-Australia Transition to Health
- Kiribati NDMO

Others

- Queensland Fire and Emergency Services
- UNICEF
- WFP



Annex 6: E-Survey tool

DFAT have commissioned our team at Strategic Development Group to carry out a Mid Term Review of the DFAT Humanitarian Logistics Capability (HLC). This includes the Period Offer contract led by Palladium, as well as DFAT's role in coordination and alignment with Australian government partners and non-governmental organisations to deliver humanitarian response in the region.

The survey will take no longer than 10 minutes to complete.

Your responses will be treated confidentially and will be compiled with a range of source material for this review. Your responses will be shared ensuring anonymity and de-identified when included in the report. Your responses will only be viewed by team members who have signed and are committed to confidentiality contractually.

Thank you for your time.

* Required

1. Which country are you based in? *

2. Which organisation do you work for? *

- DFAT** – Post
- DFAT** – Desk
- DFAT** – Consular Crisis Management Division
- DFAT** – Global health division
- DFAT** - Other
- Whole of Government partner** – (e.g. ADF, NCCTRC, Dept of Health, NSW/QLD Fire and Emergency Services, Emergency Management Australia)
- National Disaster Management Organisation**
- Humanitarian Agency** (e.g. AHP partner, Red Cross, NGO etc.)
- Other Pacific Regional Agency**

3. Overall, thinking of DFAT's Humanitarian Logistics Capability delivered by Palladium, could you please provide three examples of: positive characteristics or experiences you have had that went well, over the last 5 years? *

4. Similarly, could you provide three examples of: challenges or experiences you have had that did not go well, over the last 5 years? *

5. In your opinion, over the last 5 years, how relevant has DFAT's humanitarian logistics capability been to the current and emerging needs of the region? *

- 1 Not at all relevant
- 2 Not very relevant
- 3 Somewhat relevant
- 4 Very relevant

6. Please elaborate on your response*

7. Has the HLC's relevance changed over the last 5 years? *

- Yes - more relevant
- Yes - less relevant



No, stayed the same

8. Can you please give a reason for your answer? *

9. To what extent do you agree/disagree with these statements about the DFAT's humanitarian responses under the HLC? *

	Strongly Disagree	Somewhat Disagree	Somewhat Agree	Strongly Agree	Unsure
They deliver the right supplies to the right people					
They are inclusive of and responsive to the different needs and preferences of affected people of different gender identities					
They are adaptive, accessible and inclusive for people with different forms of disability					
They are accessible to, and address the needs of, other excluded and vulnerable affected people					

10. Can you provide any examples to support your answers? How do you know? *

11. Has the mechanism sought information from affected populations in decision making surrounding relief supplies and distribution, including via intermediary or secondary sources?*

- Yes, I know of examples of this and could provide more information
- Yes, I am aware of this taking place but could not provide specifics
- No, I am not aware of this taking place

12. Please provide more details *

13. In your experience, to what extent is the HLC mechanism contributing to resilience in the region? *

	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
DFAT's humanitarian response is supporting Pacific Island Countries' structures and institutions to build their own resilience and manage disasters					
DFAT's humanitarian response is constraining Pacific Island Countries' structures and institutions to build their own resilience and manage disasters					



DFAT should be promoting recovery and resilience as part of this mechanism					
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14. Why did you give those responses? *

15. In your experience, how well has the HLC supported coordination and alignment of humanitarian response across government? *

	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
Partnerships have been supported between DFAT and Whole of Government Partners through this mechanism					
Roles and responsibilities of government partners (including DFAT) are well defined					
Roles and responsibilities of partners (including DFAT) are being carried out effectively					
Coordination between and among posts, desks and Palladium is effective					
Coordination processes between and among posts, desks and Palladium are well defined					

16. Please elaborate on why you answered in this way *

17. Has anyone from DFAT Humanitarian Partnerships Division or Palladium engaged with you or your team to draw on your knowledge, expertise and/or capacity, regarding the humanitarian response in the region? *

- Yes
- No
- Unsure

18. What areas of response has this related to? *

- Operating standards
- Humanitarian Standards or Policies
- NFI's (specifications, quality and appropriateness)
- Localisation
- Affected national government capacity
- Gender equality
- Disability inclusion
- Other aspects of social inclusion.
- Safeguards – PSEAH / Child Safety / Protection
- Environmental sustainability
- Other



19. Is there a way for you to provide feedback, lessons or raise issues to the HLC team following an operation, or on a regular basis? *
- Yes
- No
- Unsure
20. Could you elaborate on your answer? *
21. Is there anything else you would like to share with us about the Australian Government's HLC managed by Palladium? *
22. Would you be interested in discussing any of your answers in further detail with the review team? *
- Yes
- No
23. Please provide your email address for us to get in touch directly *
24. Overall, thinking of DFAT's Humanitarian Logistics Capability delivered by Palladium, could you please provide three examples of: positive characteristics, or experiences you have had that went well, over the last 5 years? *
25. Similarly, could you please provide three examples of: challenges or experiences you have had that did not go well, over the last 5 years? *
26. In your opinion, over the last 5 years, how relevant has DFATS's humanitarian logistics capability been to the current and emerging needs of the region? *
- 1 Not at all relevant
- 2 Not very relevant
- Somewhat relevant
- Very relevant
27. Please elaborate on your response*
28. Has the HLC's relevance changed over the last 5 years? *
- Yes - more relevant
- Yes - less relevant
- No, stayed the same
29. Can you please give a reason for your answer? *
30. To what extent do you agree/disagree with these statements about the DFAT's humanitarian responses under the HLC? *



	Strongly Disagree	Somewhat Disagree	Somewhat Agree	Strongly Agree	Unsure
They deliver the right supplies to the right people					
They are inclusive of and responsive to the different needs and preferences of affected people of different gender identities					
They are adaptive, accessible and inclusive for people with different forms of disability					
They are accessible to, and address the needs of, other excluded and vulnerable affected people					

31. Can you provide any examples to support your answers? How do you know? *

32. Has the mechanism sought information from affected populations in decision making surrounding relief supplies and distribution, including via intermediary or secondary sources? *

- Yes, I know of examples of this and could provide more information
- Yes, I am aware of this taking place but could not provide specifics
- No, I am not aware of this taking place

33. Please provide more details *

34. In your experience, to what extent is the HLC mechanism contributing to resilience in the region?*



	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
DFAT's humanitarian response is supporting Pacific Island Countries' structures and institutions to build their own resilience and manage disasters					
DFAT's humanitarian response is constraining Pacific Island Countries' structures and institutions to build their own resilience and manage disasters					
DFAT should be promoting recovery and resilience as part of this mechanism					

35. Why did you give those responses? *

36. In your experience, how well has the HLC coordinated and aligned its humanitarian response efforts of other agencies in the region? *

	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
Partnerships have been well supported between Australian Govt/Palladium and my agency					
Coordination between DFAT posts and my agency has been carried out well					
Coordination processes between DFAT and your agency have been well defined					

37. Please elaborate on why you answered in this way *

38. Has anyone from DFAT Humanitarian Partnerships Division or Palladium engaged with you or your team to draw on your knowledge, expertise and/or capacity, regarding the humanitarian response in the region? *

- Yes
- No
- Unsure

39. What areas of response has this related to? *

- Operating standards
- Humanitarian Standards or Policies
- NFI's (specifications, quality and appropriateness)
- Localisation
- Affected national government capacity
- Gender equality
- Disability inclusion
- Other aspects of social inclusion.
- Safeguards – PSEAH / Child Safety /Protection Environmental sustainability



Other

40. Is there a way for you to provide feedback, lessons or raise issues to the HLC team following an operation, or on a regular basis? *

Yes

No

Unsure

41. Could you elaborate on your answer? *

42. Is there anything else you would like to share with us about the Australian Government's HLC managed by Palladium? *

43. Would you be interested in discussing any of your answers in further detail with the review team? *

Yes

No

44. Please provide your email address for us to get in touch directly *