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With the participation of: INSEAD & Fleet Forum

EVALUATION OF DG ECHO'S FLEET MANAGEMENT

FINAL REPORT – March 2013

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Report produced by :
Rose Van Steijn, Rob Mc Connell, Ann Marie Allen, Alfonso J. Pedraza-Martinez, François Grünewald

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DG ECHO Fleet Management Executive summary

Introduction
This executive summary highlights the findings, conclusions and recommendations of the evaluation of Directorate General for Humanitarian Aid and Civil Protection (DG ECHO) vehicle fleet. DG ECHO's Evaluation Sector and Field Network, Transport and Logistics Unit (C/4) commissioned the evaluation. Groupe URD has executed the evaluation in partnership with INSEAD and Fleet Forum from September to December 2012.

Purpose
The main purpose of this evaluation is to have an independent structured evaluation of DG ECHO's fleet management.

The objective is to assess the appropriateness of DG ECHO's fleet management to the needs of the users and the assisted populations, and to produce recommendations for reinforcing the effectiveness and efficiency of the fleet management system, including the development of tools for the continuous improvement of the fleet performance.

Scope
The scope of the evaluation covers the whole implementation of DG ECHO's fleet management, but is based on the use of representative case studies.

Key questions
The evaluation has been conducted to answer the following two key questions:

> **Q1: How efficient is the current fleet management system and how could this efficiency be improved by developing tools for more cost-effective fleet management?**
>
> **Q2: How adapted and appropriate is the current fleet composition with regards to the needs of the users and beneficiaries and to its environmental impact?**

Critical note It became apparent in the earliest stages of the evaluation that examination of the key questions alone would not address the determinants of fleet management performance, and therefore have limited utility for DG ECHO. Understanding that decisions made on the strategic level should inform the operational and tactical approach, the evidence, conclusions and recommendations reflect this broad approach.

Methodology
The evaluation methodology included three primary components: desk research, field research (including interactive workshops), and a survey.

The desk research included the analysis of procedure manuals, written reports, vehicle logbooks and maintenance schedules, and electronic files with fleet composition, mileage and fleet running costs.

Field Research was conducted in Regional Support Offices (RSOs) in Amman and Dakar, and Country Offices (CO) in Jerusalem and Burkina Faso. Supplementary interviews were conducted over the phone with RSO Managua,

RSO Nairobi, CO Khartoum, Van Breda (insurance company) and the DG ECHO HQ & Field Security Coordinator.

Participant observation from day to day contact with DG ECHO staff members as well as physical inspection also complemented the interview and desk research. At the end of each field visit at the RSO the evaluation team conducted participatory workshops. The workshops focused on collaborative extraction of knowledge. The third component of the evaluation methodology included a survey of vehicle users.

Evidence

This section provides evidence from the applied methodology.

Q1: How efficient is the current fleet management system and how could this efficiency be improved by developing tools for more cost-effective fleet management?

DG ECHO manages a fleet of approximately 100 vehicles from 13 makes, 4 years old on average. DG ECHO fleet fulfils 89% of the vehicle requests on time[1] and 85% of staff consider that the fleet is appropriate for their region. Nevertheless, 20% of the survey respondents had to cancel a DG ECHO vehicle request during the last 3 months due to lateness.

Regarding cost, it is not possible to obtain a consolidated figure of cost per kilometre or cost per vehicle per year due to the lack of standardization in reporting, which deters data aggregation for analysis. Nevertheless, the high proportion of 4x4s compared to the low proportion of rural workload (see answer to question 2 below) suggests frequent 4x4 use in cities, resulting in high fuel consumption, hence high running costs. In general, 58% of staff agrees that the fleet is well managed.

DG ECHO fleet does not have a well-defined strategy to support the transportation needs of their staff. Fleet objectives are defined ad-hoc in each country and there are no formal mechanisms to share best practices.

DG ECHO fleet management is decentralized. Although vehicle procurement and purchasing exceeding €1000 is centralized in Brussels, each country defines policies on vehicle use and formats for data collection as well as data analysis independently. There are no performance measures of fleet performance as a whole.

Responsibilities and accountability for fleet management are spread at different levels in Brussels, RSOs and COs, which is a challenge for good fleet management. In the TORs of the newly appointed RLCs the responsibility for fleet management is not mentioned. Decisions concerning what vehicle to request to Brussels are shared between different staff at the country level. According to staff interviewed, this process can be time consuming. Following vehicle requisitions from RSOs, Brussels makes the final decision on procurement usually based on vehicle purchasing price.

[1] Survey results: 42 out of 47 respondents claimed they faced no delay between requested and actual vehicle availability.

DG ECHO has well-trained and motivated staff at the Technical Assistants (TA) level. Evidence to support this statement can be found in their answers during interviews and their high participation in the survey (40% participated) as well as their diligence in data collection and critical attitude towards ill-defined procedures.

Q2: How adapted and appropriate is the current fleet composition with regards to the needs of the users and beneficiaries and to its environmental impact?

DG ECHO's fleet is used in 38 to 40 countries to fulfil the transportation needs of their staff, which include: 40% office use, 18% monitoring visits, 20% airport transfers, 14% home-office-home, and 5% private use.

The DG ECHO fleet composition is 70% 4x4s (half of the total fleet are Toyota Land Cruiser), 30% city cars. Surprisingly, when conducting monitoring visits, 41% of DG ECHO staff uses a partner organization's vehicle, 35% use a DG ECHO vehicle, 22% do not conduct monitoring visits, and 1% use their own vehicle. 78% of staff agrees that road transport supports them to fulfil their role at DG ECHO but only 38% think that the DG ECHO fleet is essential to monitor partner organizations.

The majority of DG ECHOs staff road movements are done through partner organization vehicles. During the interviews with TAs a significant number indicated that they did not feel safe in the partners' vehicle. The fact that DG ECHO does not have a systematic approach in place to manage safety and security of TAs and its national staff traveling in partners' vehicles imposes a risk for DG ECHO from a legal liability perspective.

With the exception of monitoring visits, most of the vehicle use occurs in urban and sub-urban areas. This, combined with the reliance on partner vehicles, may explain why the DG ECHO fleet has a relatively low workload (less than 10,000kms per vehicle per year[2]) compared to fleets managed by operational humanitarian organizations (17,000km to 25,000kms per vehicle per year). 66% of DG ECHO staff agrees with the statement that the fleet is appropriate for the driving conditions of their region.

Concerning environmental impact, the possibility of high fuel consumption suggested by the high proportion of 4x4s operating on urban environments would suggest that CO_2 emissions are also high. This proposition is supported by 23% of staff expressing dissatisfaction with DG ECHO fleet environmental friendliness in the survey. It is important to note that DG ECHO may be expected to set the example for other organizations by implementing or even leading best practice when it comes to reducing environmental impact. This may be the case for how it manages its fleet as well as for the environmental impact of its operations.

[2] ECHO vehicle use database

SWOT Analysis

The following table identifies the areas of strengths, weaknesses, opportunities and threats for DG ECHO's fleet management and vehicle operation.

Strengths	Weaknesses
• The fleet size and composition is sufficient to meet transport demands. • DG ECHO has high standards in place for maintaining its fleet • DG ECHO has developed and conducted very comprehensive driver training and HEST training. • TAs are interested in improving their operations and staff capacity and are open to improve current fleet management practices.	• The strategic direction and an organisational fleet management framework are lacking. • There is an absence of clear policies, procedures, guidelines and tools for fleet management. The policies and procedures that are in place are out-dated, occasionally contradictory and the most part not implemented. • Responsibilities and accountabilities in field offices with regards to the day-to-day operation of the fleet are not defined. • Responsibility for fleets are not incorporated in the TORs of the RLCs • There is no mechanism within DG ECHO to monitor compliance at field level. • With the absence of a clear definition on vehicle use it is impossible to determine the appropriate fleet size. • The current structure, content and quality of the data gathering reports makes it challenging if not impossible to compile fleet data into one report. • Fleet operating costs: with the current reporting system and the absence of a benchmark or performance indicator it is impossible to calculate the operating costs. • DG ECHO field offices do not collect data that would allow measurement or analysis of environmental impact of vehicle emissions. • Driver and HEST training is not conducted in a systematic way and is randomly organised. • DG ECHO does not have a systematic approach in place for capturing driver performance that will give input to annual appraisal.

Opportunities	Threats
• The fact that the current evaluation of the DG ECHO fleet has been initiated demonstrates recognition within the organisation of the need to improve the management and operation of the fleet. • As a donor, DG ECHO could take the opportunity to lead by example on fleet management practices for its partner organisations. • Developing partner standards: If partners were expected to adhere to given standards of safety and security in their fleet operations, DG ECHO could mitigate a significant safety and security risk to partners, TAs and national staff when on field missions. • RLCs could take the lead in discussing fleet management issues with their peers in partner organisations. • Driver training: DG ECHO should consider encouraging established good practice with partner and other organisations.	INTERNAL • The absence of an asset register results in poor asset control. • The lack of costs control measures imposes unnecessary operating costs of the vehicles. • The lack of policy on vehicle insurance (both third party liability and vehicle loss or damage) exposes the organisation to claims and/or losses. • The presence of weak accident/incident reporting procedures. • The presence of poor journey planning and management procedures on field mission. EXTERNAL • Many TAs drive 4x4s without having received specific 4x4 driver training and expose ECHO's staff and other road users in the field to significant risks. • The absence of road safety management creates significant risk exposure to DG ECHOs organisational liability. • Dependency on the use of partner vehicles for field visits can present risk to ECHO's TAs and national staff.

Conclusions and recommendations

This following section contains the main conclusions, recommendations and suggested solutions and tools. The conclusions and recommendations are presented from a strategic, tactical, operational perspective. The conclusions and recommendations regarding DG ECHO's risk and liability are presented separately as they crosscut all three domains of fleet management.

All conclusions and recommendations can be found in the full report of the evaluation.

Conclusions: Strategic level	Recommendations	Suggested tools or way forward
Fleet Management strategy: To maximise the effectiveness and efficiency of the DG ECHO fleet, and thereby improve programme delivery, strategic objectives for the fleet management need to be established.	Determine strategic objectives for the DG ECHO fleet and its management and operation.	Facilitated workshop.
Appropriateness of the fleet Only 18% of vehicle use is dedicated to monitoring visits and 70% of the fleet is composed of 4x4 vehicles. These proportions question the appropriateness and the ownership of the fleet.	Conduct a cost benefit analysis of fleet standardisation and determine if fleet ownership is required. DG ECHO should analyse the feasibility of outsourcing (for large fleets) some or all fleet management functions, where possible, including contracting of taxi services in capital cities and renting or leasing vehicles rather than owning.	Based on determination of the strategic priorities and using data collected, create a business case in which the costs versus the benefits of outsourcing or renting are investigated.
Roles, responsibility and accountability DG ECHO's organization structure has not standardised the roles, responsibility and accountability for decisions concerning transportation and fleet management.	Define the roles, responsibilities and accountabilities for fleet management at all levels of the organisation.	Facilitated workshop.
Use of the vehicle It is unclear from DG ECHO fleet guidelines what is considered as "official use" of the vehicle. This lack of clarity creates much discussion and seems to allow for favouritism.	Provide clarification on the term "official use of vehicles".	Decision from DG ECHO C4.

Conclusions: Tactical Level	Recommendations	Suggested tools or way forward
Asset management The lack of clarity on the precise number and location of vehicles indicates poor asset management and control.	Creation of an asset register and asset recording procedures.	Decision from DG ECHO C4.
Fleet performance metrics The absence of fleet performance metrics makes it impossible to measure the performance of DG ECHO's fleet.	Establish fleet performance metrics, monitoring mechanisms and implement standardised reporting tools.	Facilitated workshop using example materials.
Disposal policy DG ECHO's policy which dictates disposal of the vehicle or donation to another ECHO office, partner or EU delegation is not enforced. This imposes additional costs on DG ECHO, as the staff in the field continues to operate vehicles with higher maintenance costs.	Establish a vehicle lifecycle management policy which includes planned disposal.	
Policies and procedures The contents of the 'Blue Book' are incomplete, out-dated and in some instances conflicting with other policies such as Annex 37.	Update the 'Blue book' with policies and procedures that reflect the strategic aims.	Decision from DG ECHO C4. Examples material available.

Conclusions: Operational level	Recommendations	Suggested tools / way forward
Data collection Data collection is performed as an audit requirement but not to monitor vehicle performance. Effective fleet management is compromised by the lack of systematic and standardized data collection and analysis.	Improve systematic data gathering, analysis and reporting that support DG ECHO's strategic objectives.	Facilitated workshop using example materials.
	Develop standard global templates for data collection that allow for compilation of data as well as performance monitoring.	Facilitated workshop using example materials.
Compliance with policies and procedures The 'Blue Book' provides guidance on the operation of DG ECHO vehicles; however ECHO staff do not systematically comply with it.	Establish a mechanism that facilitates monitoring and encourages compliance with fleet management policies and procedures.	Decision from DG ECHO C4.
Driver training 1) Driver and HEST training is not conducted in a systematic way and is randomly organised. 2) DG ECHO allows untrained TAs to drive the vehicles. 3) DG ECHO's comprehensive driver training and HEST training could serve as an example for partners.	1) DG ECHO should institutionalise and standardise driver training and HEST training and manage as a continuous process, not one-off and include all vehicle drivers. 2)DG ECHO should encourage its partners (and other organisations) to participate in the driver training and HEST training.	Decision from DG ECHO C4.
Road Safety Awareness Training Although DG ECHO staff is exposed to road traffic accidents, the organisation does not have road safety awareness training in place.	Institute mandatory road safety awareness training for all staff and include it in driver training and HEST.	Decision from DG ECHO C4.
Fleet Management Training Staff involved in current fleet data collection and analysis have not received specific training on fleet management.	A basic training on fleet management should be instated for DG ECHO's staff in country offices to improve their analytical skills.	Decision from DG ECHO C4.

Poor quality data collection and analysis methods in some countries.		
Vehicle Insurance The current vehicle insurance obtained through Van Breda will be discontinued in March 2013.	Formalise the policy on risk acceptance or transfer of risk of vehicle damage or total loss. Ensure that adequate third party liability insurance is in place for all vehicles.	Decision from DG ECHO C4. Review and cost benefit analysis of vehicle insurance options.
Use of telematics Within DG ECHO there is not a consistent view on why, how or if telematics should be adopted. From fleet management perspective there is no current need for DG ECHO to install telematics systems. The organisation at this moment does not have a strategy, policy or procedures in place that could be supported by telematics systems. If the Security Section decides to implement telematics to improve the safety and security of TAs and national staff, C4 could make use of the tool for fleet management data collection purposes.	Representatives of C4 and the Security Section should work collectively to determine feasibility, roles and responsibilities, cost benefit analysis and implementation and operation strategy.	Facilitated workshop using example materials.

Conclusions: Risk and liability	Recommendations	Suggested tools / way forward
Fleet related risk awareness is low within DG ECHO. 1) The use of private vehicles presents a significant risk to DG ECHO in terms of liability in the event of an accident. 2) The absence of accident reporting and analysis presents a blind spot to the organisation and has implications for DG ECHO's liability and cost effectiveness.	Establish a road safety risk management system, Including comprehensive accident reporting, risk assessments and mitigation measures. This system should also include procedures and tools how to measure the road safety practices of partner organisations.	Decision from DG ECHO C4. Facilitated workshop using example materials.
The issue of safety and security of staff travelling in non-DG ECHO vehicles (partners and subcontractors) present a significant risk to DG ECHO.	Develop fleet management standards for partners / subcontractors to mitigate risks for the TAs and national staff and to establish a disciplined approach to journey management. The fleet management standards could be included in the FPAs and FAFAs and be reviewed by the RLCs on a periodic basis.	Decision from DG ECHO C4.
	LCs should collaborate with partners and subcontractors to reduce the road safety risk	Decision from DG ECHO C4.

DG ECHO Fleet Management Evaluation Report

Background

Purpose of the evaluation

1. The main purpose of this evaluation is to have an independent structured evaluation of Commission's Directorate General for Humanitarian Aid and Civil Protection (DG ECHO)'s fleet management.

2. The objective is to assess the appropriateness of DG ECHO's fleet management to the needs of the users and the assisted populations, and to produce recommendations for reinforcing the effectiveness and efficiency of the fleet management system, including the development of tools for the continuous improvement of the fleet performance.

Scope of the evaluation

3. The scope of the evaluation covers the whole implementation of DG ECHO's fleet management, but it will be based on the use of a selected number of case studies.

Evaluation background

4. Fleet management is defined in the context of this evaluation as the system of policies, procedures and controls governing the selection and use of a set of transport assets so that certain predefined performance measures are optimized. This definition has three components:

(i) The fleet management system, which is composed of policies, procedures and controls that include the practical policy for vehicle use (who, how, when) as well as authorization processes and rules for vehicle use;
(ii) The set of transport assets that is selected so that they are appropriate for the needs of the organization. These needs in the DG ECHO context include urban and rural missions to support feasibility studies, monitor humanitarian projects and plans, and technical assistance to field operations;
(iii) The performance measures, which include but are not limited to; cost-efficiency, fulfilment of transportation needs, road safety and environmental impact.

5. The evaluation has been conducted to answer the following two key questions:

> **Q1: How efficient is the current fleet management system and how could this efficiency be improved by developing tools for more cost-effective fleet management?**
>
> **Q2: How adapted and appropriate is the current fleet composition with regards to the needs of the users and beneficiaries and to its environmental impact?**

Critical note: It became apparent in the earliest stages of the evaluation that examination of the key questions alone would not address the determinants of fleet management performance, and therefore have limited utility for DG ECHO. Understanding that decisions made on the strategic level should inform the

operational and tactical approach, the evidence, conclusions and recommendations reflect this broad approach.

Methodology

The evaluation methodology included three primary components; desk research, field research including participatory workshops, and a survey (Figure 1). Each component is described below.

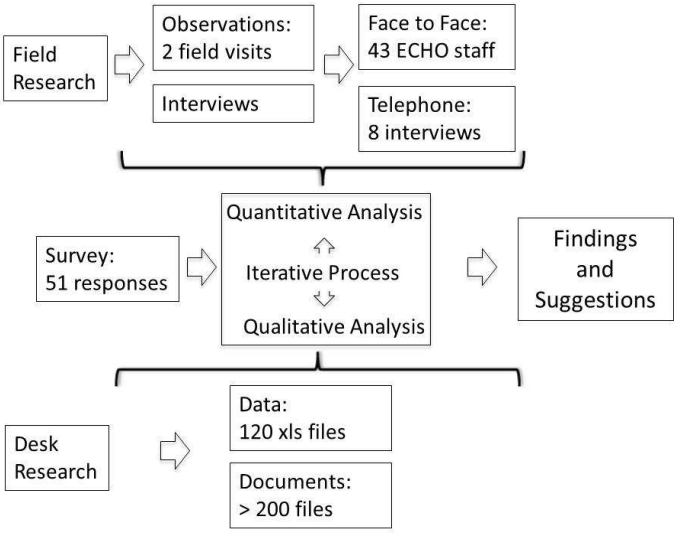


Figure 1: Data Collection and Analysis

Desk Research

6. The on-going desk research has included the analysis of procedure manuals, written reports, vehicle logbooks and maintenance schedules, and electronic files with fleet composition, mileage and fleet running costs.

7. Over 200 documents provided by DG ECHO were stored in a shared folder where they were categorized. Additionally, the team has processed 120 documents on vehicle use (mostly excel files) of the entire fleet where possible. Annex A.4 contains graphs and conclusions from the data analysis conducted during the desk research.

Field Research

8. Field Research was conducted in Regional Support Offices (RSO) in Amman and Dakar, and Country Offices (CO) in Jerusalem and Burkina Faso. Whenever possible, two researchers performed the semi-structured interviews where one researcher posed the questions and the other took notes on the content and context. Supplementary interviews were conducted over the phone with RSO Managua, RSO Nairobi, CO Khartoum, Van Breda (insurance company) and the DG ECHO HQ & Field Security Coordinator. A complete list of those interviewed is included in Annex D. Annex A.1 contains the notes from the interviews (interview topics, findings and suggestions from the interviewee).

9. Each interview began by asking the persons their name, educational or career background, the responsibility and the time in their position. The preselected interview questions (base research questionnaire included in Annex E) were complemented with follow up questions when necessary to yield deeper knowledge of specific facts and events. The field research team followed strict procedures for data collection; which included a debrief at the end of each day, with notes from the interview compiled less than one day after carrying out the interview.

10. Participant observation from day to day contact with DG ECHO staff members as well as physical inspection complemented the interview and desk research. The evaluation team at each field visit site also examined the following:

- The vehicle fleet;
- All fleet related data gathering and analysis;
- Process of vehicle allocation, tasking and dispatch;
- Compliance with DG ECHO's fleet manual;
- Available training;
- The operational environment (fuel systems, maintenance, etc.).

11. At the end of each field visit at the RSO the evaluation team conducted participatory workshops with the attendance of DG ECHO staff.

Survey

12. The third component of the evaluation methodology included a survey of vehicle users. The survey was designed to offer a broader understanding of the perception of DG ECHO fleet users about the dimensions of fleet management discussed in the conceptual framework (see inception report). Additionally, there was a pre-test pilot conducted by randomly sending the survey to 10 DG ECHO staff. Based on the 3 responses received in the pilot, we refined the instrument before sending it to the remaining staff. The survey was distributed electronically in an email from Herman Mosselmans to all 140 TAs. 51 fully completed responses were received.

Analysis Carried Out

13. The analysis has been iterative; the initial desk research was the basis to design the field research protocol. The field research findings were used to design the survey and improve the data analysis. Due to the multiple data collection techniques, the team has obtained concurrent evidence to answer the two main research questions and to support the recommendations and conclusions drawn.

14. The analysis began with the review of a number of text files containing policies, procedures and reports from different RSOs. The initial findings combined with the team's expertise on fleet management analysis were used to design a base questionnaire to be used during the field interviews.

15. The process continued with field research to Amman and Jerusalem. The findings of the first field visit were summarized in an aide memoire document that was an additional input for survey design.

16. In total we obtained 51 responses, for a response rate of 40%. The findings from the survey analysis are included in Annex A.2.

17. In total 35% of the 120 excel files were revised and combined in two data sets. Data analysis was time-consuming due to the lack of consistent reporting standards between different RSOs.

18. Parallel to the survey and data analysis, our team conducted a second field visit to Dakar and Burkina Faso. The findings were summarized in an aide memoire document using the same format as the one in the first field visit. In addition to the two field visits we conducted telephonic interviews with staff from Managua and Nairobi.

19. Using the results from both qualitative and quantitative analysis the team had plenary discussions concerning the evidence obtained to date. The summary of the discussion constitutes the basis for recommendations.

20. Quality control was permanent with regular exchange with the relevant responsible in Groupe URD, reviews on the documents and exchanges in the field in Dakar where the QC responsible happened to be present

Evidence Found

21. The evidence is presented following the conceptual framework presented in the inception report. First, we describe the evidence found during desk and field research of external factors affecting fleet management. The evidence focuses on operating conditions and transportation demand. Second, evidence of internal factors affecting fleet management is described. In this section the evidence focuses on DG ECHO's mandate and background, organizational structure, fleet use, fleet management model, and fleet performance. The key findings are highlighted in italic bullet points.

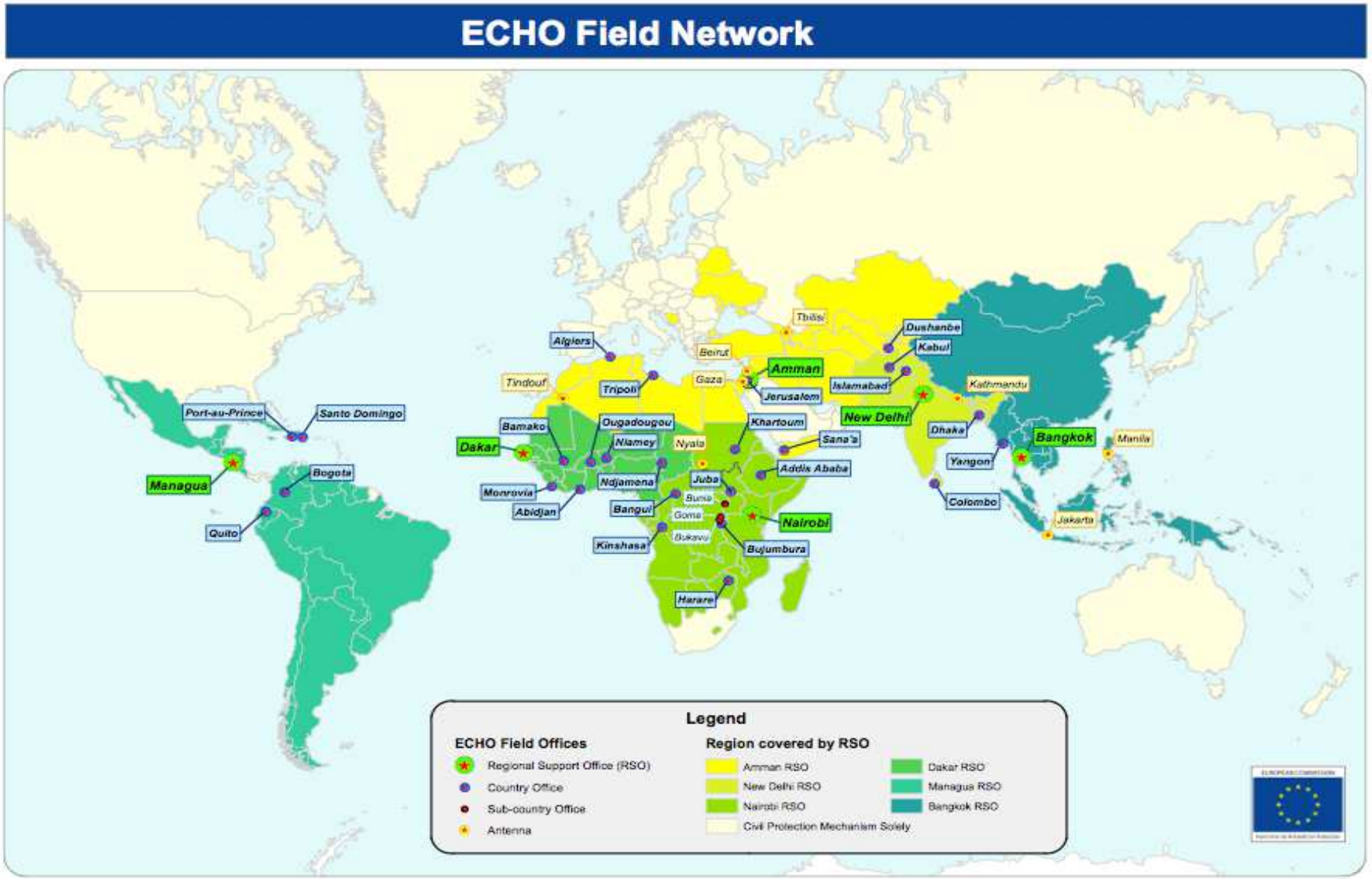
External Factors Affecting Fleet Management

Operating Conditions

22. DG ECHO operates a fleet of approximately 100 vehicles (70% 4x4s, 30% city cars), with a roughly calculated average age of more than 4 years. The fleet is used in 38 to 40 countries (see Map 1) with a diverse range of operating environments in terms of climatic conditions, road qualities and traffic standards. These diverse operating conditions mean that within DG ECHO there is no standardized approach towards fleet management. The security context in the different theatres of operation varies from complex in locations such as Afghanistan, Gaza and Syria to stable in Bangkok and Amman.

- *DG ECHO operates a fleet of approximately 100 vehicles (70% 4x4s, 30% city cars), 4 years old on average; the fleet is used in 38 to 40 countries.*
- *DG ECHO vehicle transport needs vary according to climate, infrastructure, traffic standards, and safety & security conditions across operating environments.*
- *Security and safety conditions are highly dynamic and determine the way in which vehicles are used in all areas of DG ECHO operations.*

Map 1: Distribution of the DG ECHO's Field Network



Transportation Demand

23. Considering that DG ECHO is not an operational organization, transportation should support the needs of staff, related to the principal activities of the field offices which include:

- Preparatory and feasibility studies for humanitarian operations and the assessment of humanitarian projects and plans,
- Operations to monitor humanitarian projects and plans,
- Measures to strengthen the Community's co-ordination with the Member States, other donor countries, international humanitarian organisations and institutions, non-governmental organisations and organisations representing them,
- Technical assistance necessary for the implementation of humanitarian projects[3].

24. All of the above activities require access to transport capacity to allow the staff to move between the field offices and the location where their duties are performed. These locations include both towns and cities where the offices are situated and field locations where partners are operating.

25. Although the nature of DG ECHO's vehicle demand seems to be largely predictable due to the fact that monitoring visits are typically planned several weeks in advance, demand also includes office use like transporting staff to meetings or to the airport as well as private use. These aspects of demand will be further addressed in the section on vehicle use.

- *DG ECHO's transportation demand is composed of: (1) field visits, (2) office use: transporting staff to meetings and airport, (3) office-home-office, (4) private use.*
- *DG ECHO activities are performed in both towns and cities where the offices are situated and field locations where partners (some with operational transportation capacity) are operating.*

Internal Factors Affecting Fleet Management

Mandate and Background

26. The European Union, through DG ECHO and the EU Member States, is arguably the world's biggest donor of humanitarian aid, providing more than 50% of humanitarian aid worldwide. In 2012, DG ECHO has funded humanitarian operations of its partner organisations in 38 countries with a budget of €640 million.

- *DG ECHO is a non-operational organization, yet through the sheer volume of aid they disperse, DG ECHO wields enormous influence over its partners and is in a position to lead by example.*

27. A perceived strength and comparative advantage of DG ECHO is its worldwide network of field offices allowing an up-to-date analysis of existing and forecast needs in a given country or region. Their network allows them to

[3]Call for applications from individual experts for technical assistance to third countries in the area of humanitarian aid (2008/C 112/13).

contribute to the development of intervention strategies and policy development, provide technical support to DG ECHO funded operations, ensure adequate monitoring of these interventions and facilitate donor coordination at the field level.

28. The allocation of budget to the field offices as well as the opening of new offices in a region or inside a country depends on the assessed needs and the humanitarian situation. Accordingly, the size and type of offices and the number of humanitarian experts mandated in the field varies from one location to another.

Organisation structure

29. In 2012 DG ECHO deployed approximately 140 international humanitarian experts and 330 national staff members in 44 field offices located in over 38 countries [4]. The organizational structure includes four levels: headquarters (Brussels), regional offices (RSO), national offices, and field offices.

30. DG ECHO C/4: Field Network, Transport and Logistics Unit, located at the headquarters level, is responsible for the oversight and management of the Field Network.

31. The Regional Administration Coordinator (RAC) based in each of the RSOs has day-to-day supervision of RSO-based vehicles and management oversight of DG ECHO vehicles within the region. In Field Offices the Head of Office (HoO) has responsibility for the DG ECHO vehicles assigned to that office.

32. The RAC has overall responsibility to ensure compliance with vehicle operating policy and guidelines within a given region and the HoO at field level. The newly created Logistics Coordinators (LCs) will support the RACs and HoOs in vehicle fleet management related issues.

33. For approximately 10 years DG ECHO had a TA with responsibility for logistics. Initially based in Nairobi and then Dakar, the incumbent provided global oversight and guidance on vehicle related matters. In 2011 the positions of LC was created and filled in 4 of the 6 the RSOs (Amman, Bangkok, Dakar and Managua). LCs are responsible for providing specialised field technical assistance in the domain of logistics to the DG ECHO offices in their region of operation – the 4 LCs provide global coverage. This relatively new cohort of LCs perceives fleet management at an operational level as a specific area where, by taking a more active role, a positive impact on DG ECHO operations can be made.

34. The LCs are expected to comply with the Administrative and Financial Manual for DG ECHO Field Offices and also to any other official instructions given by DG ECHO Brussels.

35. Fleet management is not specifically mentioned in the Terms of Reference (TOR) of the LCs although reference to vehicle fleet management related issues might be implied in the following tasks extracted from the LC TORs:

- Analyse and assess logistical needs of the DG ECHO RSO;
- Perform requirements studies and evaluations; define technical specifications for purchases (communication and IT equipment, vehicles etc.);

4 http://ec.europa.eu/echo/about/index_en.htm

- Establish DG ECHO logistical standard rules for the field; extract and disseminate best practices and facilitate exchange of experiences;
- Draw up and/or update the inventory; manage, check and monitor movements of furniture; supervise the maintenance of materials (office materials, stocks, I.T. tools, cars etc.); handle requests for the repair and/or replacement of inventoried items; analyse and plan DG ECHO Office requirements as regards inventoried movable items;
- Assist the Regional Administrative Co-ordinator in the development of training programmes; ensure the daily follow-up of the training actions including the verification of the logistical aspects;
- Establish monthly reports (to be incorporated in the financial monthly reports and/or RSO monthly reports) concerning logistical issues.

    - *DG ECHO's organization structure does not specify who has the responsibility and accountability for decisions concerning transportation and fleet management. The Regional Administration Coordinator based in each of the RSOs has day-to-day supervision of RSO-based vehicles and management oversight of DG ECHO vehicles within the region. C4 state that this is now the responsibility of the LCs although fleet management is not specifically mentioned in their TORs.*
    - *In Country Offices the Head of Office has responsibility for the DG ECHO vehicles assigned to that office.*

36. At this point it is important to highlight that TAs are interested in improving their operations and staff capacity. DG ECHO has well-trained and motivated national and international staff. Evidence to support this statement can be found in their answers during the interviews and their high participation in the survey (40% participated) as well as their diligence in data collection and critical attitude towards ill-defined procedures.

37. Yet, a number of TAs also expressed concern that any efforts made by DG ECHO to make vehicle fleet management more cost efficient or structured would place additional constraints on their ability to conduct their programme activities.

    - *TAs and national staff demonstrate a positive and supportive view to improvements in fleet operation and management.*

Fleet Management Model

38. Fleet procurement within DG ECHO is highly centralised with key decisions regarding vehicle selection and procurement made in Brussels. In contrast, data collection and analysis is highly decentralized and performed at country level. This statement can be easily supported by looking at the heterogeneous composition of the fleet, and diversity of formats and reports concerning insurance, mileage, fuel consumption, etc.

39. It is not obvious who decides on what and how the different levels involved in fleet management exchange information or collaborate (processes and roles seem to be ill-defined). There may be overlapping areas like vehicle selection as well as areas that are not covered at all, like data analysis. Considering that there is no analysis and decision-making affecting the entire fleet, the evaluation team

concludes that DG ECHO fleet management follows a decentralized decision-making model with centralized procurement.

Strategic

40. DG ECHO vehicles have been regarded within the organisation simply as a tool provided to Country Offices to enable TAs and national staff to perform their tasks related to achievement of programme objectives. A fleet management model has evolved through practicality and operation rather than on the basis of strategic vision.

41. DG ECHO does not manage its fleet with the needs of the assisted population in mind. In none of the documents that were examined during desk research or from the findings during the field trip the needs of the assisted population were mentioned as a key driver for DG ECHOs fleet management.

- *DG ECHO has not developed a strategic vision for meeting the transportation needs of its staff or the affected populations in order to fulfil the organization's mandate.*

Tactical & Operational

42. On a tactical and operational level, policies, procedures and guidelines for the administration, management and use of DG ECHO vehicles are documented in Chapter 8 of the Administrative and Financial Manual for DG ECHO Field Offices (known as 'The Blue Book') published in July 2002. The chapter titled 'Use and Maintenance of ECHO property' (A.5.2) provides rules and regulations regarding official and private use of the DG ECHO vehicle and the use of private vehicles for official use. The chapter titled 'Vehicles (B5)' contains the following sections:

- Maintenance of vehicle,
- Procedure in case of accident,
- Insurance,
- Fuel for vehicle.

And includes official forms on:

- Vehicle take over (B-04);
- Vehicle Logbook (B-05);
- Fuel form (B-06);
- Overview of Service/repairs (B-07);
- Vehicle condition checklist (B-08);
- Declaration of Accident (B-09);
- Overview of insurance (B-10);
- Monthly fuel report (B-11).

- *All field offices are aware that the 'Blue Book' contains guidance on the operation of DG ECHO vehicles.*
- *However, it is widely believed that the contents are incomplete and in some cases out-dated. A number of guidelines, the maximum age after which a vehicle should be disposed of for example, are widely ignored.*

43. Vehicle Asset Management: The only comprehensive fleet inventory appears to be the list provided to Van Breda for insurance purposes, which lists 93 units at March 2012. However, data supplied by RSOs indicates evidence of 108 vehicles in use. With acquisitions and disposals on-going according to operational demand of the DG ECHO Field Offices the fleet sizes fluctuates. However, difficulty in obtaining a definitive fleet size demonstrates weak asset control.

Vehicle Selection & Use

44. The DG ECHO fleet of approximately 100 vehicles is distributed between 38 to 40 offices in 6 regions. Individual fleet sizes range from 34 vehicles in Nairobi (NAI) to many offices having only one or two vehicles. Although DG ECHO guidelines recommend the replacement of vehicles after 5 years or 150,000km, with the average age of the fleet roughly 4 year, it is questionable whether the replacement policy is followed in the field. Vehicles are pooled in offices and specific vehicles are not dedicated to specific programmes. 4x4 vehicles tend to be allocated for field missions and sedans for city use. Though anecdotal evidence suggested that this was not always the case, especially as a 4x4 reached a certain age and was deemed no longer suited for field use.

45. The DG ECHO vehicle inventory is made up of approximately 70% 4x4 SUVs and 30% city cars and sedans. The fleet comprises a wide mix of vehicle makes with Toyota accounting for 70% of the fleet by make, and 12 different makes accounting for the remaining 30%. Approximately 50% of the fleet are Toyota Land Cruisers (4x4s); the remaining 50% are 22 different models.

- *Regional and country fleet sizes range widely. The fleet composition is heterogeneous with vehicles from 13 different makes but a large participation of Toyota Land Cruiser (50% of the fleet).*

46. All vehicles are procured through C/4 Brussels following a tender process. The requesting country office provides the specifications that are then approved by C/4 Brussels. After approval the CO launches and manages the tender process. The requesting office may propose that local suppliers are included in the tender. DG ECHO does not have any frame or long-term agreements with suppliers. Under the tender process the lowest price valid offer is accepted. However, there is no way of accurately determining the transaction costs incurred within DG ECHO in the vehicle process (staff time) but they would appear to be disproportionately high.

47. There was general dissatisfaction expressed by the interviewed staff with the length of time taken to procure and deliver a new vehicle. A significant part of the time is spent determining the type of vehicle to be acquired. The authority for determining vehicle type and specification is unclear with a range of different persons and opinions involved. A widely expressed opinion was that the standardisation of vehicle types and the establishment of procurement frame agreements would effectively address the issues above. However, there was considerable diversity in opinions on exact vehicle types.

48. Several interviewees expressed their concern about the fact that Brussels decides what the best vehicles are for the field without enough knowledge of field conditions. In locations where field missions could require several days of travelling the comfort of the vehicle was considered by a number of TAs as highly important. Standardised vehicle selection criteria are not defined.

49. The use of 4x4 vehicles in urban contexts was considered inappropriate. This was expressed by one survey respondent quite explicitly, "too many big four wheels drive, equipped for the jungle in DRC are driven only for big cities purpose, and on asphalt roads. There is a need to review this nonsense." Yet, in some cases, 4x4 vehicles are allocated exclusively to urban use because they are considered unfit for field use due to age or suitability and the higher fuel use and subsequent increase in emissions is not taken into consideration.

50. Additionally, some new 4x4 vehicles are not considered appropriate for field missions on the grounds of comfort and robustness despite meeting procurement requirements on specification and price.

- *Procurement rules and different interpretation of vehicle specification allow vehicles to be considered by some TAs as substandard to enter the fleet.*

Fleet Use

51. Vehicles are registered in the country of use – usually on diplomatic plates that grant certain exemptions and privileges depending on local regulations.

52. Demand for vehicles within any office depends on the level of DG ECHO activities within the operational theatre of the office concerned. In some cases there is a perceived need to hold spare capacity within the office fleet to meet new and sudden demand. During the Arab Spring additional capacity was needed to support Tunisia, Libya and Egypt.

- *According to the survey, vehicle usage is distributed: 40% office use, 18% monitoring visits, 20% airport transfers, 14% home-office-home, and 5% for private use.*
- *DG ECHO data shows that average monthly mileage is 815kms (less than 10000kms per year). Research indicates annual mileage of vehicles of humanitarian agencies operating under similar condition is considerably higher: ICRC 17,500kms, IFRC 20,000 and World Vision 25,000kms.*
- *There is no standard mechanism for determining either the appropriate fleet size or composition in any given DG ECHO office for a given number of TAs, staff or level of programme activity.*
- *The ratio of vehicles to TAs and/or staff varies widely from office to office.*

53. If the demand for vehicles is not being met the number of vehicles can be increased through a number of measures. A new vehicle can be procured, or a vehicle may be transferred from a location which has closed or had surplus transport capacity.

54. In addition to using DG ECHO vehicles TAs and national staff travel regularly in partner vehicles on field missions to visit programmes; this may be due to unavailability of a DG ECHO vehicle or for more practical reasons. In some locations taxis are used for both local in-town movements as well as longer field missions when, either there is no DG ECHO vehicle available at the time, or no DG ECHO vehicle is in place at the point of demand. It is also possible in some contexts to make use of spare vehicle capacity from the EU Delegation

office. In some cases both TAs and national staff are using their personal vehicles for official purposes, including to attend meetings.

- *According to the survey, when conducting monitoring visits, 41% of DG ECHO staff use a partner organization's vehicle, 35% use a DG ECHO vehicle, 22% do not conduct monitoring visits, 1% use their own vehicle.*

55. The use of DG ECHO vehicles by TAs and national staff for travel to and from the office and home created much discussion, and came up numerous times during the interviews. According to the rules and regulations in A5.2, transportation from the temporary residence of Technical Assistants to the office and the opposite is considered to be the work-related travel, therefore allowing the Technical Assistants to use the ECHO vehicles. Article 37 'Vehicles', which is an annex to the contract of TAs, states that under no circumstances private use of the vehicle is permitted. The evaluation team has found no evidence during the field research that these rules are enforced. Moreover, in offices where TAs and national staff use DG ECHO vehicles for travel to and from work there was considerable discussion on entitlement and access to DG ECHO vehicles. In some offices there was no private use of DG ECHO vehicles by TAs, for example RSO Dakar.

56. The use by TAs and DG ECHO staff of their own private vehicles for official use, attending meetings in town for example, was observed. The reasons included convenience or the lack of availability of a DG ECHO vehicle. Most people were quite comfortable using their own vehicle for professional purposes. Reimbursement is not sought in many cases as the process required was viewed as heavily bureaucratic. One national staff member was concerned about the fact that there was no mechanism to allow reimbursement for use of private vehicle for business purposes.

- *The use of private vehicle for business use on an informal manner presents a significant risk to DG ECHO in terms of potential liability in the event of an accident and subsequent claims against the organisation.*
- *Reimbursements of private use of DG ECHO vehicles as well as official use of private vehicles are not standardized.*

57. DG ECHO staff often felt less safe travelling in non-DG ECHO vehicles; either taxis or partner vehicles. Journey planning and monitoring of TAs and other DG ECHO staff for security purposes is also more complex when travelling in a taxi or partner vehicle.

- *The issues of safety and security of staff travelling in non-DG ECHO vehicles and the difficulty in monitoring staff movements in these vehicles present significant risk to DG ECHO.*

Maintenance & Spare Parts

58. DG ECHO vehicles appear to be regularly maintained and in good operational condition.

59. Evidence suggests vehicles are maintained according to the manufacturers' recommendations. Usually by the authorised dealer when the vehicle is within the warranty period and either by the authorised dealer or alternative garage after the

expiration of warranty. During the Evaluation it was not possible to assess the quality of vehicle maintenance providers.

60. Vehicles carry a comprehensive kit of accessories and equipment that may be required during missions, including first aid kits, two spare wheels, etc.

61. 4x4 vehicles intended for field use are equipped with a range of accessories, including long range fuel tanks, roof racks and bull-bars. Spare parts kits designed to support 2 years of servicing are often procured with the vehicle. Some of these spare parts are sent with the drivers on longer missions, according to interviews with Nairobi RSO, however the RSO lacks the proper storage capacity to manage extra spare parts. Additional spare parts in the case of NAI are acquired from the dealer or accredited maintenance shop directly. Country offices within the RSO who do not have access to a dealer or accredited supplier may request to buy spare parts from NAI. During the evaluation the team also found anecdotal evidence that the spare parts kits are not always used and in some cases donated to partner organisations. An interviewee highlighted that regular maintenance may be delayed while awaiting approval for purchases above €1000; an example being a complete set of vehicle tires which may cost more than €1000 and must be changed with certain frequency.

62. Physical inspection of vehicles in the location where evaluation field visits were conducted showed all vehicles to be in good mechanical order, clean and tidy with complete sets of accessories.

- *DG ECHO procurement processes involving Brussels approval for purchases above €1000 may delay maintenance and/or repair.*

63. In-vehicle communications equipment is not standardised.

64. Telematics (vehicle tracking) equipment is installed in a small number of vehicles. This equipment is being used on an *ad hoc* basis in certain countries for a range of purposes including assistance in recovery of stolen vehicles and the tracking of vehicle movements. It is interesting to note that an increasing number of aid and development agencies are adopting vehicle-tracking systems. The ICRC is progressively phasing out the use of HF radios in its vehicles and relying on a combined system of tracking and sat-phones. UNHCR has begun a process of equipping its fleets and WFP has equipped more that 1500 of its vehicles. In addition, a range of NGOs including Oxfam, Care International, Welthungerhilfe are all engaged in extensive use of tracking. Telematics can be used effectively as both a fleet management and a security tool. However, any telematics system simply is an information capture tool and can only be truly effective if it has a defined purpose within the user organisation and appropriate procedures and protocols are in place to ensure the information supplied by the system can be responded to effectively to achieve the desired benefits. Within DG ECHO there is not a consistent view from either a security or fleet management perspective on how or if telematics could be adopted. From a fleet management perspective the team found no indication that telematics would provide benefits to DG ECHO for the following reasons:

- *Investment in a telematics system will only deliver return if a fleet management strategy has been defined and procedures and protocols on fleet management are in place.*

- *Considering the size of DG ECHOs fleet and the purpose of the majority of the vehicles the fleet management benefits of telematics are limited. As most of the vehicles mainly support office use, this can be managed by putting Excel-based tools in place.*

However, in locations where DG ECHO vehicles are used for field trips that may involve journeys in remote and/or insecure environments and where communication with the vehicle may be difficult, there are clear security benefits in being able to accurate track and locate vehicles during such missions.

65. The method of fuel procurement varies from country to country. Pre-paid fuel cards from leading fuel vendors in country are used widely. Wherever possible fuel is exempt from duties and taxes and is either purchased duty free or taxes are reclaimed after expenditure. Fuel consumption is recorded on a per vehicle basis but the method of data capture and analysis varies from country to country.

Drivers

66. Drivers are hired under a defined process with medical and eyesight examinations required. In countries where a regular medical check is legally required this is done at a regular basis, in countries where this is not the case there is no follow up medical check in place. Most drivers have undergone a 5-day course in driving skills, including off road and defensive driving.

67. In addition most staff has undertaken Hostile Environment Security Training (HEST), which includes driving and first aid components. Nevertheless, only 26% of survey respondents had received defensive driver training in the last 2 years. Drivers based in field offices that use armoured vehicles have also been trained in the operation of these specialist vehicles.

- *Most DG ECHO drivers have received good quality driver training. However, there is no systematic approach to training, and refresher courses are not planned or budgeted for.*

68. DG ECHO lacks a systematic approach towards formal driver appraisal. Drivers do not have prescribed duty times, maximum driving hours or break and periods. Drivers' tasks and responsibilities, in some cases, greatly exceeded those indicated in their job descriptions.

69. Many TAs and national staff drive DG ECHO vehicles, both during the course of their official duties, in travelling between the home and office and, in some cases for private use. The level of driving skills for TAs and national staff is not as rigorously tested or monitored as for the DG ECHO professional drivers.

70. All concerned recognised the investment made by DG ECHO in dedicated training of drivers as positive. However, professional driver training should be a continuous process, not one-off, and the amount of training on vehicle use received by non-professional drivers (e.g. TAs and national staff) did not meet requirements with some TAs feeling they would not be able or comfortable to take control of the car if a driver were to be incapacitated during a field mission.

Accidents & Insurance

71. Road traffic accidents are the leading cause of accidental death and injury to humanitarian field workers. DG ECHO staff is exposed to this risk. During field

missions, road safety risk may be compounded when access to medical assistance may be problematic in the event of injury.

72. All DG ECHO vehicles are locally insured with at least minimum third party liability cover.

73. Comprehensive vehicle insurance for all DG ECHO vehicles is arranged through Brussels. The provider, Van Breda, covers all vehicles for accidental loss or damage and third party liability at a flat rate per vehicle regardless of where the vehicle was located. In early 2012 when staff at C4 requested to review vehicle insurance Van Breda reduced the premium by almost 50% from €1000 to €500 without discussion or negotiation. It is now understood that the policy with Van Breda will be cancelled in March 2013. C4 is now exploring alternative vehicle insurance arrangements. Due to the very low number of claims a self-insurance scheme is being considered. However, there is a clear distinction between self-insurance and no insurance. It would appear that DG ECHO could move to the situation where no form of vehicle insurance is in place, with third party liability obtained at Field Office level.

- *The cancellation of the Van Brede insurance before the establishment of an effective alternative insurance model will expose DG ECHO to significant third party liability risk as well as potential uninsured losses through damage or total loss to vehicles.*

74. Vehicle accidents are reported only in the event of an insurance claim. There is no management system in place that allows for follow up or analysis of vehicle related accidents/incidents. Analysis of the insurance reports from the provider, Van Breda, show that in 19 out of 28 reported cases information such as driver name is missing.

- *The absence of comprehensive vehicle accident reporting presents a serious blind spot to the organization, and has implications for DG ECHO's liability and cost effectiveness.*
- *The cancellation of the global vehicle insurance policy will result in no oversight mechanism for the reporting of vehicle accidents. DG ECHO should introduce and institutionalise a comprehensive and compulsory vehicle accident and incident-reporting system that will allow analysis of root causes of accidents and support mitigation strategies.*

Fleet Performance

Fulfilment of programme transportation needs

75. The effective delivery of the mandate of the DG ECHO Field Network depends on the ability of the Technical Assistants (TAs) and national staff members to conduct the activities listed above in a complete and timely manner. Whether attending meetings with partners and other stakeholders in town, conducting monitoring visits to programmes in deep-field locations or simply providing essential administrative support; availability of appropriate transport capacity is essential for the successful completion of these tasks. The evaluation considers three components of transportation need fulfilment: time, fleet size and vehicle appropriateness.

76. Regarding the general perception of transportation needs fulfilment, 79% of survey respondents agreed or strongly agreed that road transport supports them to fulfil their role at DG ECHO. Concerning time, 89% of the survey respondents do not face delay to get a vehicle when it is required. Nevertheless, 20% of the respondents had to cancel a DG ECHO vehicle request during the last 3 months due to lateness.

77. Yet, in many instances the fulfilment of programme transport needs happens outside of the DG ECHO owned vehicle fleet (i.e. personal vehicles, partner vehicles, Delegation vehicles, or local taxis). This makes it difficult to evaluate the appropriateness of DG ECHO's vehicle fleet size. Our data analysis shows that compared to other humanitarian organizations, DG ECHO's vehicle usage is low. The survey supports this observation, as only 4% of respondents felt their fleet size was too small, 19% felt it was too large.

78. There is a definition of official use of DG ECHO vehicles but it is not aligned with the current viewpoints of ECHO Headquarters. Moreover, interpretation of business versus private use varies from office to office.

- *Without clarity on whether home-office-home and airport pick-ups and drop-offs are considered as official or non-official use it is not possible to determine if the current fleet size is appropriate.*

79. Concerning appropriateness, 85% of the respondents consider that the fleet is appropriate for the conditions of their region. Nevertheless, there are some issues related to fleet management impact on fleet appropriateness. For example, DG ECHO staff do not consider appropriate the use of 4x4 vehicles in cities.

- *DG ECHO fleet fulfils 89% of the vehicle requests on time.*
- *4% of respondents felt their fleet size was too small, 19% felt it was too large. There are no specific guidelines or tools to determine the number of vehicles allocated to any given field office.*
- *Appropriateness: 85% of the respondents consider that the fleet is appropriate for the conditions of their region. Nevertheless, there are some issues of fit for purpose.*

Fleet Costs

80. Vehicle operating costs are captured and recorded but not analysed to monitor cost performance at the RSO or HQ level. Data on vehicle operation is maintained in each country in vehicle logbooks. Fuel consumption is recorded and analysed on a monthly basis using a number of different tools (usually self-developed Excel spread sheets). Vehicle maintenance and repair costs are also captured in this way. Reporting on vehicle use and costs is not standardised and a number of different formats exist. There are significant efforts being made at the country level in terms of cost data collection. However, data is collected exclusively for audit purposes and is not analysed or used to inform fleet management control or decision-making.

81. Some field offices send monthly reports of vehicle operational data to C/4 in Brussels but no feedback was reported. An initiative to capture and analyse fleet performance data has been proposed by one of the LCs.

- *Data collection is performed as an audit requirement but not to monitor vehicle performance. Effective fleet management and*

control is compromised by the lack of systematic and standardized data collection and analysis.

- *Although it is not possible to evaluate the cost efficiency of DG ECHO fleet based on available data, the following are symptoms that the fleet is relatively costly compared to benchmark organizations:*
  1. *The average age of DG ECHO fleet is 4 years. Old fleets are more costly to operate per kilometre due to lower fuel efficiency and higher maintenance cost;*
  2. *Widespread 4x4 vehicle use in city, which increases fuel consumption;*
  3. *Underutilisation of vehicles. Non-conclusive symptoms of excessive fleet size are the low monthly mileage of the fleet and country level, as well as the practice of keeping spare vehicles at the country level.*

Environmental Impact

82. There are no means in place to estimate or measure the environmental impact of the DG ECHO vehicle fleet at any level of the organisation. There is no policy, guidelines or instructions on environmental impact of operations from Brussels. At field level the environmental performance of the DG ECHO fleet is not perceived as a relevant issue. 38% of survey respondents are satisfied with the environmental 'friendliness' of DG ECHO's fleet while only 21% were not satisfied (the remaining expressed no opinion). Anecdotal evidence supports this, as an attempt to procure a fuel-efficient hybrid car by one RSO was turned down on the basis that a standard fuel car cost less. Drivers do not receive any eco-driving training and disposal of waste oils and spare parts is considered the responsibility of the vehicle maintenance provider.

- *It is not possible to estimate the environmental efficiency of DG ECHO fleet at this point. Nevertheless, there are indications that the fleet is not as environmentally efficient in terms of emissions per kilometre as it could be. For example, emissions increase with vehicle age relative and driving 4x4 vehicles in cities increases fuel consumption. Consumption, and therefore emissions, are high in urban driving. In the case of a new Toyota Land Cruiser fuel efficiency decreases by 27% under city use (the evaluation team is aware that due to bad road conditions this decrease may be lower in the case of DG ECHO fleet).*
- *It is important to note that DG ECHO may be expected to set the example for other organizations by implementing or even leading best practice. This may be the case for how it manages its fleet, as well as for the environmental impact of its operations.*

Conclusions

83. This section presents conclusions in response to the two key evaluation questions based on the evidence from desk research, field research, interviews, workshops and the survey.

The evaluators have recognized that a meaningful response to the key evaluation questions is dependent on explicit strategic objectives for the operation of the fleet determined at senior management level. In the absence of a strategic vision the evaluators' ability to evaluate the fleet is constrained.

Conclusions based on Key Evaluation Question 1

Q1: How efficient is the current fleet management system and how could this efficiency be improved by developing tools for more cost-effective fleet management?

1.1 Fleet Management authorities, responsibilities and accountabilities

84. DG ECHO has a degree of fleet management expertise within the TAs, however, the strategic direction and an organisational framework within which the fleet expertise fits and can be of a broader benefit is lacking.

85. While authority and decision-making relating to fleet management issues are highly centralised in C/4 Brussels, responsibilities and accountabilities in field offices, with regards to the day-to-day operation of the fleet, are not defined.

1.2 Current fleet management policies

86. In the case of DG ECHO the policies for vehicle use at the organization level are non-existent, incomplete and/or lack clear definition.

1.3 Current fleet management procedures

87. The Administrative and Financial Manual for ECHO Field Offices (2002) – The Blue Book - Chapter 8, Section A5, Use and Maintenance of ECHO property and B5 vehicles provides a number of procedures and guidelines relating to the operation of DG ECHO's fleet. As it appears from the title, the focus of this document is on administrative and financial but not on operational aspects of the fleet. Consequently, the procedures are neither comprehensive nor sufficiently detailed. Roles and responsibilities for fleet management are not defined. Moreover, this manual is out-dated and most parts are not implemented anymore.

1.4 Degree of compliance with policies and procedures at field / operational level

88. The procedures and guidelines contained in the Blue Book are generally followed in the field offices. However, some procedures or guidelines are ignored or interpreted loosely. There is no mechanism within DG ECHO to monitor compliance at field level.

1.5 Current fleet management tools

89. Current fleet management tools are limited to a small number of standard forms and locally produced templates in Excel and Word formats to facilitate the production of monthly reports for inclusion in the monthly financial reports of the field offices. The structure, content and quality of these reports varies widely from office to office and makes it challenging, if not impossible, to compile fleet data into one report.

1.6 Current fleet operating costs

90. Monthly financial reports are produced by each field office and forwarded to Brussels. Fleet costs, for example, are recorded in totality, i.e. overall fuel expenditure for the period. Operating costs, which may include fuel, maintenance, repairs etc. are not monitored either by vehicle or for the entire fleet. As the fleet, particularly at field office level, is perceived as a small cost centre and cost awareness is low. In addition, there is no definition of cost efficiency or

benchmark with which to draw comparisons. Under these conditions it is not possible to draw conclusions on the cost efficiency of DG ECHO's fleet operation.

91. Although the attention to maintenance standards should be applauded, anecdotal evidence from field interviews suggests that a certain amount of pragmatism may be missing in certain cases (i.e. a DG ECHO vehicle based in Tindouf which travels several thousand kilometres in order to adhere to maintenance schedules leads to unnecessary costs, being meanwhile unavailable for partner monitoring visits).

92. In an attempt to avoid long purchase process, spare part kits are procured with a new vehicle. However, the evaluation team found evidence that the spare parts kits are often not used, suggesting that it is not the most cost-efficient practice.

1.7 Current level of fleet performance:

1.7.1 Kilometres travelled

93. Kilometres travelled are recorded in vehicle logbooks and most offices produce a monthly total report that is combined with fuel drawn.

1.7.2 Fuel utilisation

94. Fuel issues per vehicle are recorded in the vehicle logbook on a monthly basis and checked against fuel invoices from the supplier. Kilometres driven and fuel consumed are analysed to produce periodic fuel consumption reports. In some cases the consumption is analysed on a month-by-month rather than a continuous basis, which does not allow accurate consumption monitoring.

1.7.3 Safe and legal operation

95. Safe and legal operation records the number of vehicle related accidents and/or incidents including driving offenses. While serious accidents, which involve insurance claims, are usually notified to C/4 Brussels, there was anecdotal evidence that not all accidents/incidents are reported or recorded. DG ECHO field offices do not collect data that would allow this analysis.

96. A considerable portion (41%) of monitoring visits takes place by road in partner vehicles. Interviews have revealed that many DG ECHO staff felt ill at ease travelling in partner vehicles, due to safety and security concerns. If partners were expected to adhere to given standards of safety and security in their fleet operations, DG ECHO could mitigate this safety and security risk.

97. The absence of a road safety risk management programme presents a serious blind spot to the organisation, and has implications for DG ECHO's liability and responsibility as an employer towards staff.

98. The fact that DG ECHO managed to reduce insurance rates by approximately 50% with Van Breda with minimal negotiation suggests that DG ECHO is still overpaying when it comes to insurance fees.

1.7.4 Environmental impact of vehicle emissions

99. DG ECHO field offices do not collect data that would allow measurement or analysis of environmental impact of vehicle emissions.

100. It is important to note that DG ECHO may be expected to set the example for other organizations by implementing or even leading best practice. This may be the case for how it manages its fleet, as well as for the environmental impact of its operations.

1.7.5 Other fleet performance indicators

101. Fleet operating organisations use the following indicators to measure fleet performance: Running costs per kilometre, availability, utilisation and need satisfaction. DG ECHO field offices do not collect data that would allow for this analysis and measurement.

1.8 Level of fleet performance compared with the sector

102. Performance measures and mechanisms are required in order to allow analysis at regional and global level and to enable for monitoring of the fleet performance against the strategic objectives of DG ECHO concerning its fleet.

103. Organisations operating in similar environments, with similar vehicle needs, include DG ECHO Partners (the humanitarian organisations whose activities are funded by DG ECHO) who tend to be UN agencies, International Organisations and larger INGOs. The level of fleet performance within this group is highly variable between agencies. A comparison of the fleet performance within DG ECHO against other aid and development organisations would suggest that the DG ECHO fleet would fall into the lower quartile. It should be noted, however, that DG ECHO operates a small fleet, compared to most partners.

1.9 Fleet Management issues raised by the field network

104. The most recurrent comment from the field network related to the absence of clear policies, procedures, guidelines and tools for fleet management. Almost all staff interviewed referred to this lack of clarity. From senior administrative staff, who are unclear on the private use of vehicles, to national staff producing monthly fuel / mileage reports, the feedback was consistent on this point.

1.10 Level of competence of staff working in fleet management functions

105. Fleet management functions and responsibilities performed by DG ECHO staff are limited to drivers and administrative assistants. The persons currently engaged in these activities have the required level of competence. If DG ECHO decides to take a more strategic approach to fleet management, skill levels will need to be improved, especially in the area of data collection and analysis.

1.11 Drivers and Driver Training

106. DG ECHO has developed and conducted very comprehensive driver training and HEST training, which could serve as an example for other aid and development organisations. However the training is not conducted in a systematic way and seems to be randomly organised.

107. Many DG ECHO drivers appear to conduct tasks that go beyond their strict Terms of Reference and there seems to be confusion about roles. These tasks can include those performed by a logistics assistant. However, within the small teams that exist in most offices, this seems a logical extension of support activity.

108. DG ECHO does not have a systematic approach in place for capturing driver performance that will give input to annual appraisal.

109. Many TAs drive 4x4s without having received specific 4x4 driver training.

1.11 Cost efficiency

110. To determine if the DG ECHO fleet is cost efficient or appropriate both the strategic objectives and metrics must be defined. For example, the environmental performance of the DG ECHO fleet cannot be determined if there is not an environmental policy for the organisation. Furthermore, it is difficult to assess if the fleet is of an appropriate size and composition if there is not clarity on what is

considered as official use. If official use includes the movement of TAs from home to office then the fleet is certainly undersized. If this use is not considered as official use the fleet (certainly in some locations) is oversized.

111. As the fleet, particularly at field office level, is perceived as a small cost centre awareness of costs is low and not subject to in-depth analysis. In addition, there is no definition of cost efficiency or benchmark with which to draw comparisons. Under these conditions it is not possible to draw conclusions on the cost efficiency of DG ECHO's fleet operations.

112. There were two different cost areas associated with vehicle fleet operations identified during the field visits. The first relates to the acquisition and operation of the vehicle and includes purchase, equipment, transport, insurance, maintenance and repair, fuel, etc. These costs are measureable and quantifiable even if the information is not easily accessible. The principle driver of these costs is the number of types of vehicles in operation. Costs could be reduced by decreasing the size of the fleet and by operating more cost efficient vehicles. The second includes the staff time committed to fleet operations. In the case of drivers the time/costs are easily measureable. With the support functions, including administration, logistics and management, the time/costs are less evident. What was clear is that the lack of clear policy and procedures, responsibilities and accountabilities results in a significant amount of organisational time to be consumed, dealing with matters that could be used more effectively if greater clarity in fleet management were in place.

Q2: How adapted and appropriate is the current fleet composition with regards to the needs of the users and beneficiaries and to its environmental impact?

2.1 Size and composition of the vehicle fleet globally and by field office

113. The lack of clarity on the precise number and location of vehicles indicates poor asset management and control.

114. There is a wide variance in the number of DG ECHO vehicles per field office. The ratio of TAs or staff to vehicles also varies widely between offices. Practice in terms of accessing transport is equally divergent; in some offices staff use their own vehicles, in other offices vehicles are almost exclusively dedicated to office-home-office and airport transfer transport. Without a clear determination from DG ECHO on what constitutes official use of vehicles, it is not possible to determine the most appropriate fleet size.

115. Offices undertaking field missions that are long distance and on poor standard roads (or both) need more robust vehicles. The 4x4s in common use are seen as fit for purpose. However, there is evidence of use of 4x4s in purely urban environments for short distance travel. The composition of the fleet could include more vehicles suited to exclusive urban use.

116. The widespread use of partners' vehicles by TAs and national staff undertaking field missions suggests: the size of the DG ECHO fleet does not have a direct correlation to the achievement of programme objectives.

2.2 User's needs

117. Almost all staff and TAs believe that their transport needs are satisfied under the current arrangements. However, it should be noted that 41% of monitoring visits take place using partner vehicles. Information gathered from the interviews suggests that another substantial proportion of transport takes place through taxis and private vehicles.

2.3 Impact needs of beneficiaries on vehicle use

118. It is not possible to gauge the impact on needs of the beneficiaries. If the transport needs of the TAs and staff are being generally satisfied (transport is not acting as a constraint on their programme activity) it can be assumed that there is no impact.

SWOT Analysis

The following table identifies the areas of strengths, weaknesses, opportunities and threats for DG ECHO's fleet management and vehicle operation.

Strengths	Weaknesses
• The fleet size and composition is sufficient to meet transport demands. • DG ECHO has high standards in place for maintaining its fleet. • DG ECHO has developed and conducted very comprehensive driver training and HEST training. • TAs are interested in improving their operations and staff capacity and are open to improve current fleet management practices.	• The strategic direction and an organisational fleet management framework are lacking. • There is an absence of clear policies, procedures, guidelines and tools for fleet management. The policies and procedures that are in place are out-dated, occasionally contradictory and the most part not implemented. • Responsibilities and accountabilities in field offices with regards to the day-to-day operation of the fleet are not defined. • Responsibility for fleets are not incorporated in the TORs of the LCs. • There is no mechanism within DG ECHO to monitor compliance at field level. • With the absence of a clear definition on vehicle use it is impossible to determine the appropriate fleet size. • The current structure, content and quality of the data gathering reports makes it challenging, if not impossible, to compile fleet data into one report. • Fleet operating costs: with the current reporting system and the absence of a benchmark or performance indicator it is impossible to calculate the operating costs. • DG ECHO field offices do not collect data that would allow measurement or analysis of environmental impact of vehicle emissions. • Driver and HEST training is not conducted in a systematic way and is randomly organised. • DG ECHO does not have a systematic approach in place for capturing driver performance that will give input to annual appraisal.

Opportunities	Threats
• The fact that the current evaluation of the DG ECHO fleet has been initiated demonstrates a recognition within the organisation of the need to improve the management and operation of the fleet. • As a donor, DG ECHO could take the opportunity to set the example on fleet management practices for its partner organisations. • Developing partner standards: If partners were expected to adhere to given standards of safety and security in their fleet operations DG ECHO could mitigate a significant safety and security risk to its partners, its TAs and national staff when travelling on field missions. • LCs could take the lead in discussing fleet management issues with their peers in partner organisations. • Driver training: DG ECHO should consider encouraging established good practices with partners and other organisations.	INTERNAL • The absence of an asset register results in poor asset control. • The lack of costs control measures imposes unnecessary operating costs of the vehicles. • The lack of policy on vehicle insurance (both third party liability and vehicle loss or damage) exposes the organisation to claims and/or losses. • Weak accident/incident reporting procedures. • Poor journey planning and management procedures on field mission. EXTERNAL • Many TAs drive 4x4s without having received specific 4x4 driver training, which exposes DG ECHO to significant risks to its own staff and other road users. • The absence of road safety risk management creates significant risk exposure to DG ECHOs organisational liability. • Dependency on the use of partner vehicles for field visits can present risk to TAs and national staff.

Recommendations

This section describes the recommendations that the evaluation team has identified, based on the evidence found and the conclusions drawn.

Strategic

Recommendation: 1: Determine strategic objectives for fleet

119. DG ECHO should take strategic decisions on how transport should be used to support the organisational activities of the Field Network. The strategic objectives must address and align the principle priorities of being cost effective, whilst providing the highest levels of safety and security for DG ECHO staff and other road users. Inevitably, a trade-off is required between these sometimes conflicting priorities. The safest fleet is not the cheapest fleet and inappropriate cost reduction may constrain effective programme delivery. Other priorities determined by DG ECHO management, for example reduction in harmful emissions, may further compound the struggle to achieve alignment.

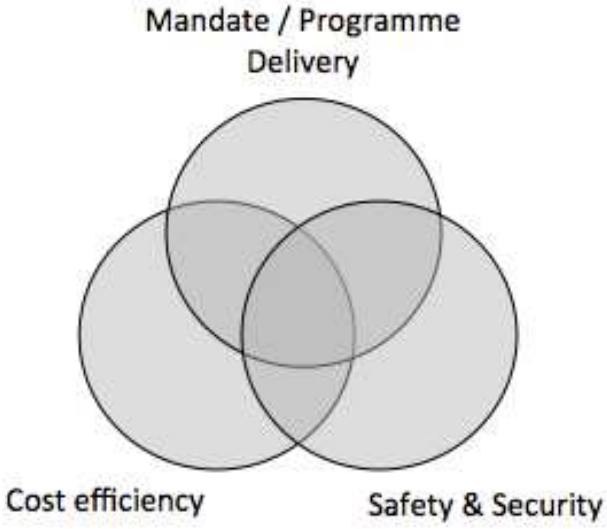


Figure 2. Alignment of strategic priorities for fleet management

120. Considering that transportation in DG ECHO is a support function, a valid question for the organisation to ask itself is whether DG ECHO needs to own a fleet. The evaluation team recommends that the LCs in DG ECHO answer that question using the following matrix:

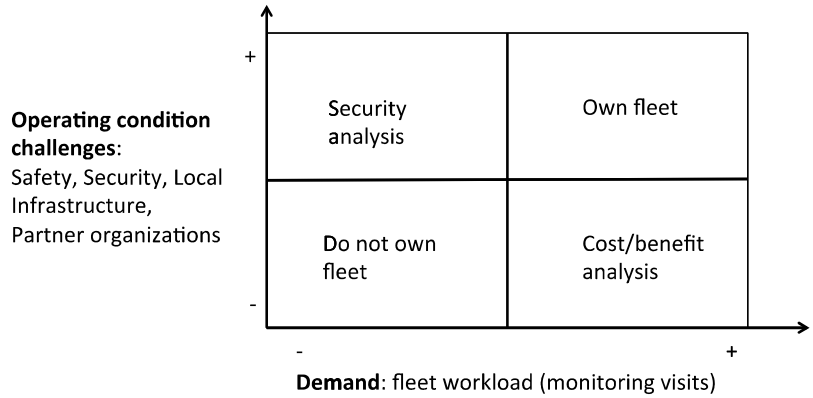


Figure 3. DG ECHO fleet strategy drivers

121. In Figure 3 above the horizontal axis is fleet workload measured in monitoring visits. The vertical axis represents operating condition challenges (the upward direction means more difficult operating conditions). Of course different RSOs and even different countries have different fleet workloads and operating conditions.

122. DG ECHO should analyse the feasibility of outsourcing some or all fleet management functions, where possible, including contracting of taxi services in capital cities and conducting a cost benefit analysis of renting or leasing vehicles rather than owning. The number of appropriate service providers may be low but schemes such as the IFRC and WFP internal leasing programmes could be made available to DG ECHO.

123. Based on previous experience on fleet management in humanitarian organizations, the evaluation team suggests that fleet ownership is only required when the workload of monitoring visits is high and the operating conditions make 4x4 vehicles the best fit for purpose. If the workload is low and there are no operating challenges, fleet ownership generally does not make sense.

- *Determine if fleet ownership is required.*

Options including outsourcing (for large fleets) or renting should be considered. IFRC has an effective internal vehicle rental program that could be made available to DG ECHO. The evaluation team recommends DG ECHO to conduct a study to determine the feasibility of such an alternative. No generic tools exist for such an exercise.

- *Determine size and fleet composition.*

Conduct a cost benefit analysis of fleet standardisation.

- *Determine whether standardization is required*

Operations management principles suggest standardization as a basic mechanism to reduce operational cost and reduce lead times.

124. **Recommendation 2: Conduct risk assessments and establish mitigation measures**

When DG ECHO has determined the strategic objectives for the fleet, a detailed analysis of fleet related enterprise risk should be undertaken. The identified risks and the mitigation measures should be captured and monitored for implementation. A more comprehensive approach to assessing vehicle related risk should be established and any policy should emphasise risk management and mitigation. DG ECHO should pay specific attention to putting in place a more systematic approach to journey management. The Fleet Forum's Fleet Safety Toolkit provides freely available templates and examples on how to improve fleet related risk management.

125. **Recommendation 3: Establish performance metrics and KPIs**

Fleet performance metrics and KPIs should be established to assist monitoring the achievement of strategic objectives. For example, if cost efficiency is a strategic objective, operating costs must be monitored. If reducing environmental impact is a strategic decision, emissions must be calculated. The performance metrics and KPIs that are developed by Transaid could be the starting point for DG ECHO.

Tactical

126. **Recommendation 4: Improve data gathering and reporting**

Data collection and analysis should support DG ECHO's strategic objectives. It is recommended to develop standard global templates for data collection to allow for compilation of data as well as comparison of results. DG ECHO C/4 should drive a more systematic approach to data collection and analysis, which will allow for effective performance monitoring.

The system for data gathering and analysis will be driven by the determined strategic objectives but fleet operating costs, utilisation, accident and incident should be priority areas. Example tools are included in the Section: The Way Forward below.

127. **Recommendation 5: Assign responsibilities and accountabilities**

Within DG ECHO there should be a clear definition of who is ultimately responsible and accountable for fleet management and who is influencing decisions on fleets at all levels of the organisation.

- Fleet management should be explicit in the LC's TOR.
- Job descriptions for drivers should clearly describe what is expected of the drivers of DG ECHO vehicles.

128. **Recommendation 6: Produce policies & procedures that reflect strategic aims**

The Administrative and Financial Manual for ECHO Field Offices should be updated to reflect the strategic objectives of fleet management. As an example, vehicle fleet management policies, procedures and guidelines in addition to clear description of fleet functions and responsibilities are defined in the OFDA Vehicle Handbook (2012) attached.

129. **Recommendation 7: Develop partner / subcontractor standards**

If the Field Network is to continue to rely on partner organization vehicles for the transportation of staff, DG ECHO should consider setting vehicle quality and safety and security standards. Such standards could be integrated into the FPA/FAFAs and supported and monitored by the RLCs. This will not only mitigate risks, but also will enable DG ECHO to establish a more disciplined approach to journey management and strengthen DG ECHO's relation with partner organisations. The evaluation team recommends that the RLCs use the 'soft approach': to have regular conversations between the RLCs and their counterparts in the partner organisations on fleet issues, conduct friendly assessments of the partner organisations fleet safety management system, organise workshops on fleet safety and security in which both DG ECHO staff and staff from partner organisations would attend. Fleet Forum's Fleet Safety Toolkit provides examples of such friendly assessments and Fleet Forum can also facilitate fleet safety management workshop and all staff awareness trainings.

130. **Recommendation 8: Establish compliance monitoring**

DG ECHO should establish a monitoring process to support and encourage compliance with the fleet management policies and procedures.

131. **Recommendation 9: Create an asset register**
To strengthen the current inventory recording process by the establishment of an asset register with clearly defined asset-recording procedures established within C/4.

132. **Recommendation 10: Development of vehicle life-cycle management**
The operational life span of vehicles should be determined which includes planned disposal at the end of life.

Operational

133. **Recommendation 11: Increase road safety risk management**
A more structured and systematic approach to the journey planning and management of field missions will promote more effective road safety risk management.

134. **Recommendation 12: Driver training**
Road awareness training should be mandatory for all staff and included in driver training and HEST. Professional driver training and HEST should be a defined and continuous process, not one-off and also including all drivers of the vehicles.
Given DG ECHO's expertise in driver training and the dependency on partners' vehicles for transport, DG ECHO should consider encouraging the practice with partner and other organisations.

135. **Recommendation 13: Fleet management training**
If DG ECHO decides to improve data gathering and analysis of its fleet performance, a basic training on fleet management should be instated for logisticians in country offices to improve their analytical skills.

136. **Recommendation 14: Review Vehicle Insurance**
It is vital that third party liability insurance coverage is in place for all DG ECHO vehicles. In cases where local third party insurance is of questionable quality, coverage should be provided from Brussels. DG ECHO should formalise its policy on the risk of accident damage or total vehicle loss, and if risk transfer is required determine and, based on the policy decision, establish any required insurance requirements.

137. **Recommendation 15: Research the viability of telematics**
From a fleet management perspective the team found no indication that telematics would provide significant benefits to DG ECHO. However, there are clear security benefits in being able to accurately track and locate vehicles during field missions. Representatives of C4 and the Security Section should work collectively to determine feasibility, roles and responsibilities, cost benefit analysis and implementation and operation strategy.

The Way Forward

To implement the recommendations in this report DG ECHO needs to engage in a process in which the determination of the strategic objectives will lead to clarity on the systems, process and tools required to deliver fleet operations that are fully aligned with the strategic objectives of the organisation.
In the model illustrated below in Figure 4 some suggestions are shown on how a decision tree can be developed and implemented to facilitate the determination of the most appropriate fleet management system for DG ECHO.

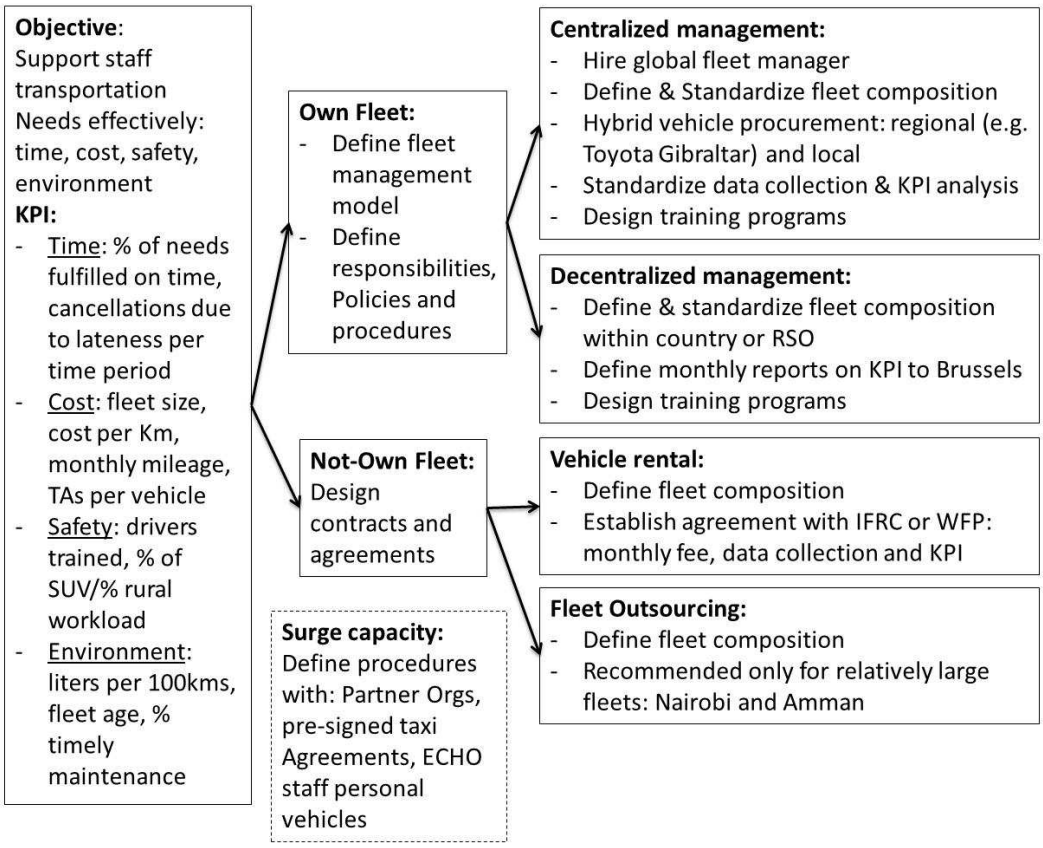


Figure 4: Recommendations to Improve Support for Staff Transportation Needs

Once strategic priorities are determined, DG ECHO can initiate an exercise during which the means to achieve the objectives are determined. There are a number of organisations operating fleets in similar contexts and conditions to DG ECHO. There is a significant collective body of good practice, tools and processes that can be adopted and adapted for use by DG ECHO. In cases where DG ECHO requires a specific analysis of its own fleet, for example a framework for determining the viability of outsourcing against ownership, these need to be developed according to the needs of the organisation and if generic tools are not available or appropriate.

Examples of such include (but are not limited to):

Fleet Management Manuals & Guides

- *USAID Deliver Project. Transport Management: A Self-Learning Guide for Local Transport Managers of Public Health Services*

http://deliver.jsi.com/dlvr_content/resources/allpubs/guidelines/TMS_Guide.pdf

- *IFRC Fleet Manual*
- *ICRC Logistics Field Manual: Chapter 9: Vehicle Fleet Management.*
- *NASA OFFICIAL FLEET MANAGEMENT HANDBOOK*

http://nodis3.gsfc.nasa.gov/npg_img/Portal/index.htm

- *Fleet Forum Fleet Management Toolkit*

http://fleetforum.org/fleet-safety/cost-efficiency/

Road Safety

- *Fleet Forum Fleet Safety Management Toolkit*

http://fleetforum.org/fleet-safety/fleet-safety/fleet-safety-management-toolkit/

Environmental Impact

- *UNEP & Fleet Forum: Sustainable Procurement Guidelines for Motor Vehicles.*
- *UNEP/TNT Toolkit for Clean Fleet Strategy Development*
  http://www.unep.org/tnt-unep/toolkit/

For C4 to determine how to identify and adopt the most appropriate good practice for the DG ECHO fleet operations it is recommended that a workshop is convened with the RLCs and representatives from C4. Experts on humanitarian fleet management who can provide guidance on the subject matter should facilitate the workshop and assist in identifying the optimum way forward.

Practical Models and Tools

The following examples and sample scenarios could be used by DG ECHO to form the basis of future fleet management system. These models are proposed as suggestions and need to be refined following the strategic determination of the fleet. The latter is the first step required in creating an appropriate fleet management system.

Objective: a cost efficient and safe fleet

Step 1: Determine what is considered to be official use of the vehicle.

Step 2: Execute a cost / benefit analysis over 3 months based on total operating costs and vehicle utilization (official use only)

Calculation total operating costs:

$$\frac{\text{All fixed costs + all running costs}}{\text{Total kms travelled}}$$

Fixed costs

- Depreciation per month of the vehicle
- Additional insurance costs incl. 3rd party insurance
- Human resources (salaries and training of the drivers, as well as non-vehicle assigned staff such as logistician / admin)

Running costs

- Fuel
- Maintenance outsourced
- Maintenance internal (may include oil and lubricants, tyres and battery changes etc.).

Calculation Utilization rate:

$$\frac{\text{No. of vehicle x hours used per week}}{\text{No. of available vehicle hours}} \times 100\%$$

To make the vehicle investment worthwhile the vehicles should be in operation (for example) at least 75 % of the time.

➔ **If the vehicle is in use less than 75 % of the available hours outsourcing should be considered as an option.**

If the outcome of the cost benefit analysis shows that DG ECHO needs to keep its own fleet, the following recommendations need to be put in place:

Recommendation 1: Determine strategic objectives for fleet

- Determine the fleet size
- Standardize the fleet
    - Sedan for regional office / city use
    - 4x4 for field visits

Recommendation 2: Conduct risk assessments and establish mitigation measures

As safety is the 2nd priority after cost efficiency, DG ECHO should conduct annual road safety risk assessments. The execution of assessments should be a responsibility from the HoO and should be conducted by the RLCs and the

Security Officers. Identified mitigation measures should be documented, implemented and followed up. The latter could be a role for the internal audit office.

Recommendation 3: Establish performance metrics and KPIs
Commonly used performance metrics and KPIs include:

Key vehicle performance indicators utilisation

No	Indicator	Calculation	Target
1	Kilometres travelled	Sum of closing – opening kms (for each vehicle)	750 kms per week
2	Availability (for use) %	No. vehicles x working hours per week – vehicle garage hours / No. of vehicles x hours per week x 100%	95%
3	Utilization %	No. of vehicle x hours used per week / No. of available vehicle hours x 100%	75%
4	Performance %	No of autorized request - service failures / No. of autorized requests x 100%	98%

Key vehicle performance indicators maintenance and fuel

No	Indicator	Calculation	Target
5	Fuel consumption	Total fuel used in litres / Total kms travelled	Target to be set
6	Fuel costs per km	Total fuel costs / Total kms travelled	Depending on local rates
7	Maintenance costs per km	Total maintenance costs / Total kms travelled	Depending on local rates

Key vehicle performance indicators accidents

No	Indicator	Calculation	Target
8	Accident rate	Number of accidents / Total kms travelled	0

Overall vehicle performance indicator

No	Indicator	Calculation	Target
9	Operating costs per km*	All fixed costs + all running costs / Total kms travelled	To be decided per country

Recommendation 4: Improve data gathering and reporting

A uniform data gathering and reporting system should be set up. The suggested way forward would be:

- Logisticians / Admin in the CO fill in the templates on a monthly basis and send it with their analysis to the RLCs in the region.
- The RLCs compile the reports into 1 regional report and send it, with their analysis, to HQ on a quarterly basis.
- HQ can compile the quarterly reports into 1. This compiled DG ECHO fleet management report should be send back to the regions / countries to stimulate sharing of good practices based on results.

The Fleet Forum's Toolkit on Cost Efficiency provides guidelines, tools and templates.

Recommendation 5: Assign responsibilities and accountabilities

- Fleet management should be explicit in the RLC's TOR.
- Job descriptions for drivers should clearly describe what is expected of the drivers of DG ECHO vehicles.

Recommendation 6: Produce policies & procedures that reflect strategic aims

In order to support the strategic objective of having a cost-efficient and safe fleet, DG ECHO should have policies & procedures in place that reflect this.

As a start (and a priority) DG ECHO should develop the following policies that support the cost efficiency goal of DG ECHO:

a) Vehicle use: a clear statement what is to be considered official use of the vehicle
b) Vehicle procurement: A clear statement what the key decision factors are to procure a new vehicle:
    a. Replacement of old vehicle
    b. Opening of new CO where the vehicle utilization is envisioned to be higher than 75%

This should be supported with a procurement procedure, which lays out which vehicle can be purchased: sedans for city use, 4x4s for monitoring trips.

c) Vehicle maintenance procedure

To capture the safety goals of DG ECHO, the following policies and procedures should be in place:

a) Road and fleet safety policy which:
    a. States what the road safety objective is;
    b. Defines who is responsible and accountable for road and fleet safety;
    c. Describes how accidents and incidents will be reported, investigated and analysed;
    d. Describes how DG ECHO will communicate about its road and fleet safety performance.
b) Procedures that support the policy:
    a. Driver management;
    b. Journey management;
    c. Vehicle management;
    d. Accident and incident reporting and investigation procedures;

e. Risk assessment.

The Fleet Forum's Toolkit on Fleet Safety provides guidelines, tools and templates.

Recommendation 8: Establish compliance monitoring

DG ECHO should establish a monitoring process to support and encourage compliance with the fleet management policies and procedures. This can be done by the RLCs, supported by the internal audit unit of DG ECHO.

Recommendation 9: Create an asset register

To strengthen the current inventory recording process by the establishment of an asset register with clearly defined asset-recording procedures established within C/4.

Recommendation 10: Development of vehicle life-cycle management

The operational life span of vehicles should be determined, which includes planned disposal at the end of life.

Recommendation 12: Driver training

Road awareness training should be mandatory for all staff and included in driver training and HEST. Professional driver training and HEST should be a defined and continuous process, not one-off and also including all drivers of the vehicles.

Given DG ECHO's expertise in driver training and the dependency on partners' vehicles for transport, DG ECHO should consider encouraging the practice with partner and other organisations.

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Objective: Outsourcing the DG ECHO fleet

In case the cost-benefit analysis proves that outsourcing is more cost efficient DG ECHO should have the following management controls in place:

Recommendation 2: Conduct risk assessments and establish mitigation measures

Even when the fleet is outsourced, DG ECHO should conduct risk assessments and establish mitigation measures with the suppliers it rents the fleet from. This task can be taken up by the RLCs, in collaboration with the regional security officers.

Recommendation 7: Develop partner / subcontractor standards

If the Field Network is to rely on partner organization or subcontracted vehicles for the transportation of staff, DG ECHO should consider setting vehicle quality, safety and security standards. Such standards could be integrated into the FPA/FAFAs /contracts with the subcontractors and supported and monitored by the RLCs. This will not only mitigate risks, but also will enable DG ECHO to establish a more disciplined approach to journey management and strengthen DG ECHOs relation with partners organisations.

For the partner organisations the evaluation team recommends that the RLCs use the 'soft approach': to have regular conversations between the RLCs and their counterparts in the partner organisations on fleet issues, conduct friendly assessments of the partner organisations fleet safety management system, organise workshops on fleet safety and security in which both DG ECHO staff and staff from partner organisations would attend. Fleet Forum's Fleet Safety Toolkit provides examples of such friendly assessments and Fleet Forum can also facilitate fleet safety management workshop and all staff awareness trainings.