

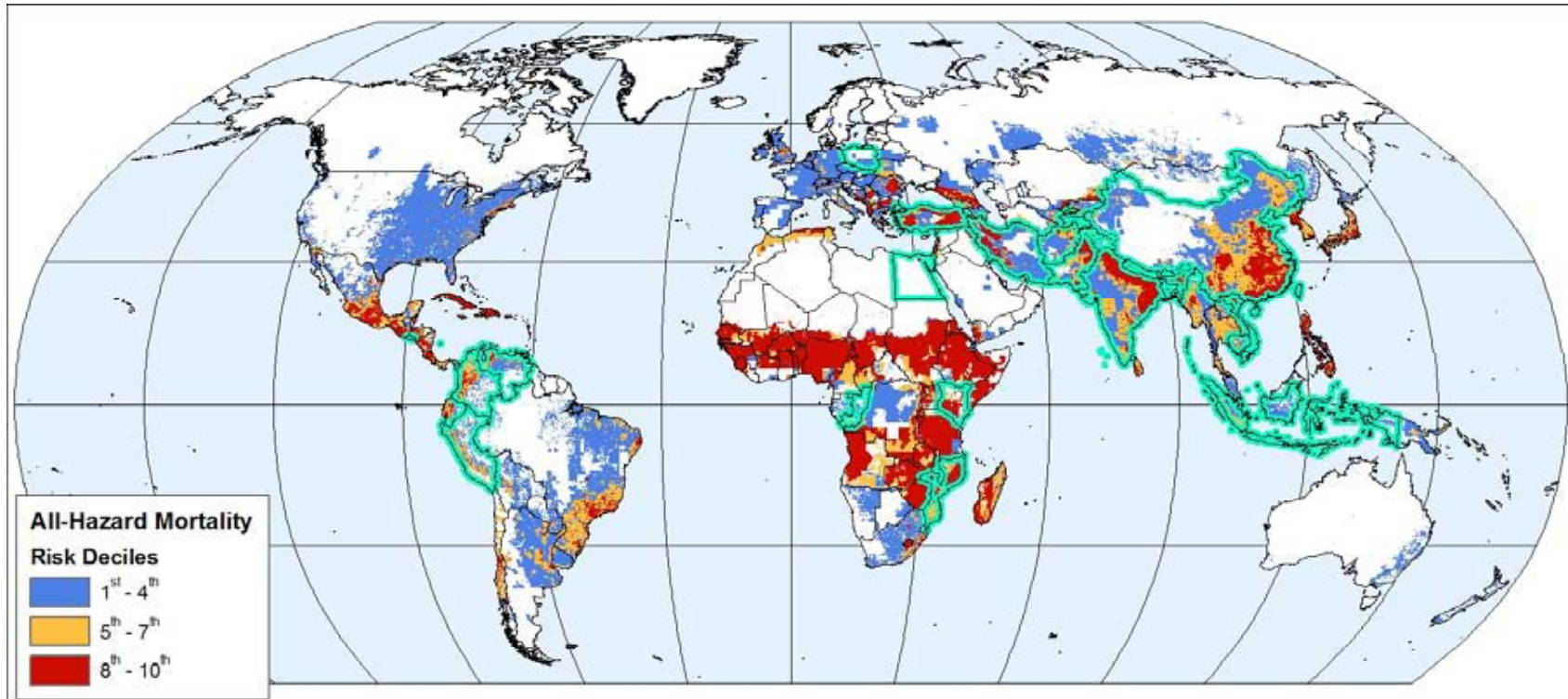
Partnering for Relief - Optimizing Logistics. *An Inter-Agency Approach: Why and How?!*



George Fenton,
May 8, 2008

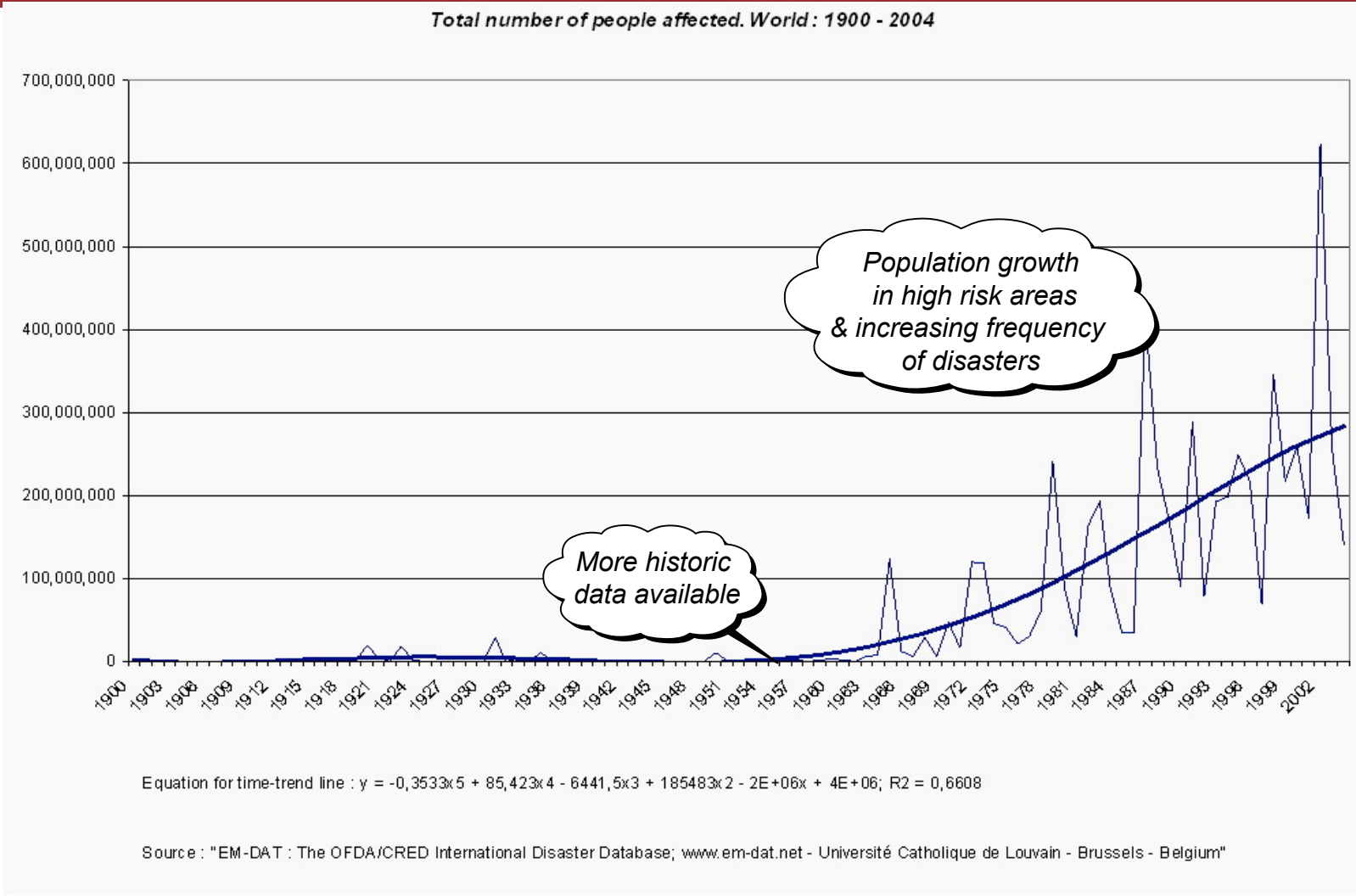
With the Global (natural) risk hotspots analysis of the World Bank, future emergency response needs can be assessed

The World at Risk Mortality risk hotspots and top 20 recipients of humanitarian relief (1992-2003)

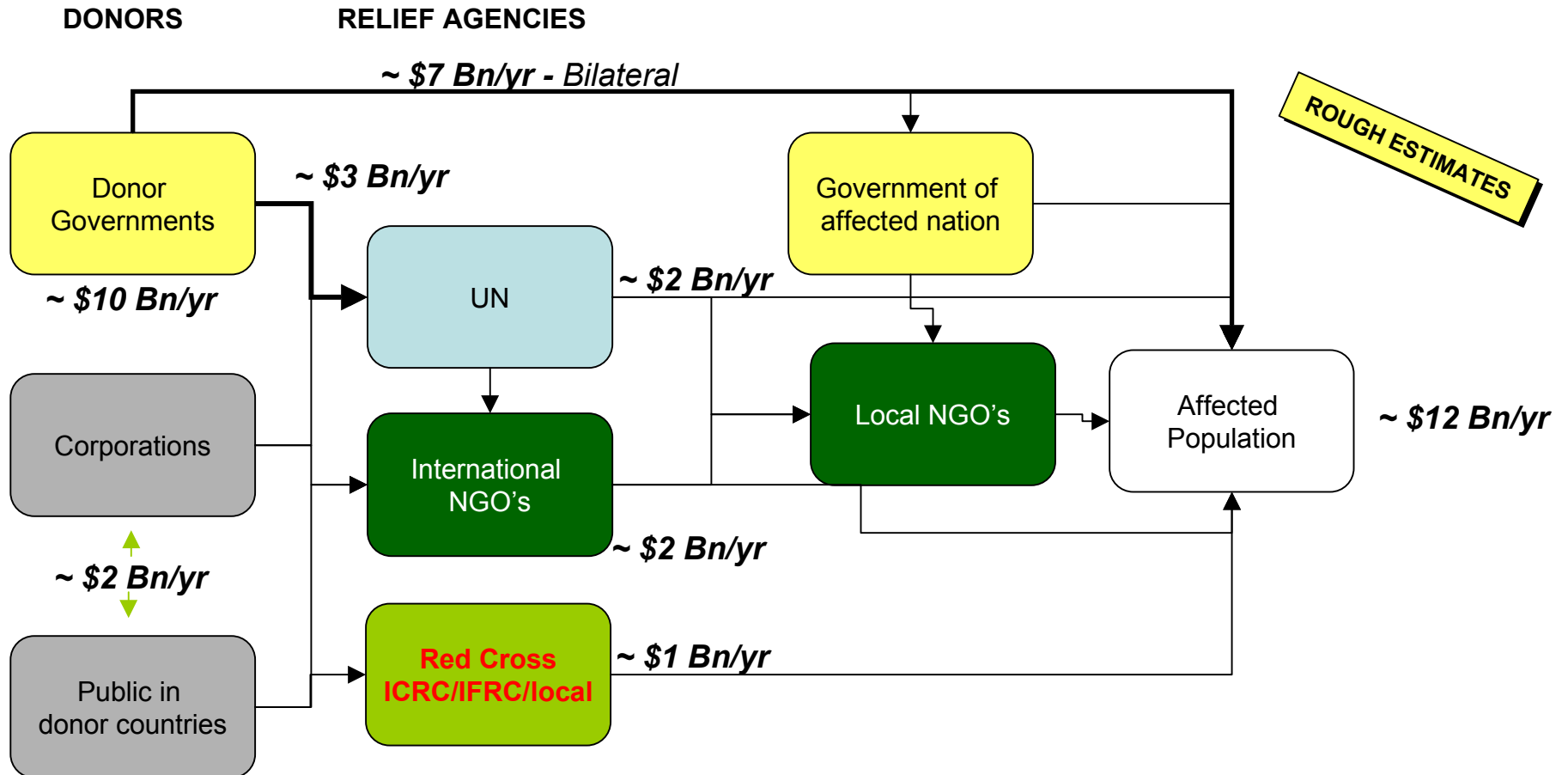


Sources: *Natural Disaster Hotspots Global Risk Analysis – IBRD/World Bank, University of Columbia, International Research Institute for Climate prediction, Center for International Earth Science Information Network, Development Economics Research Group, Center for Hazards and Risk Research, Hazard Management Unit World Bank, International Center for Geohazards, EM-DAT, CRED*

While humanitarian needs are unpredictable there is an increasing trend of disasters



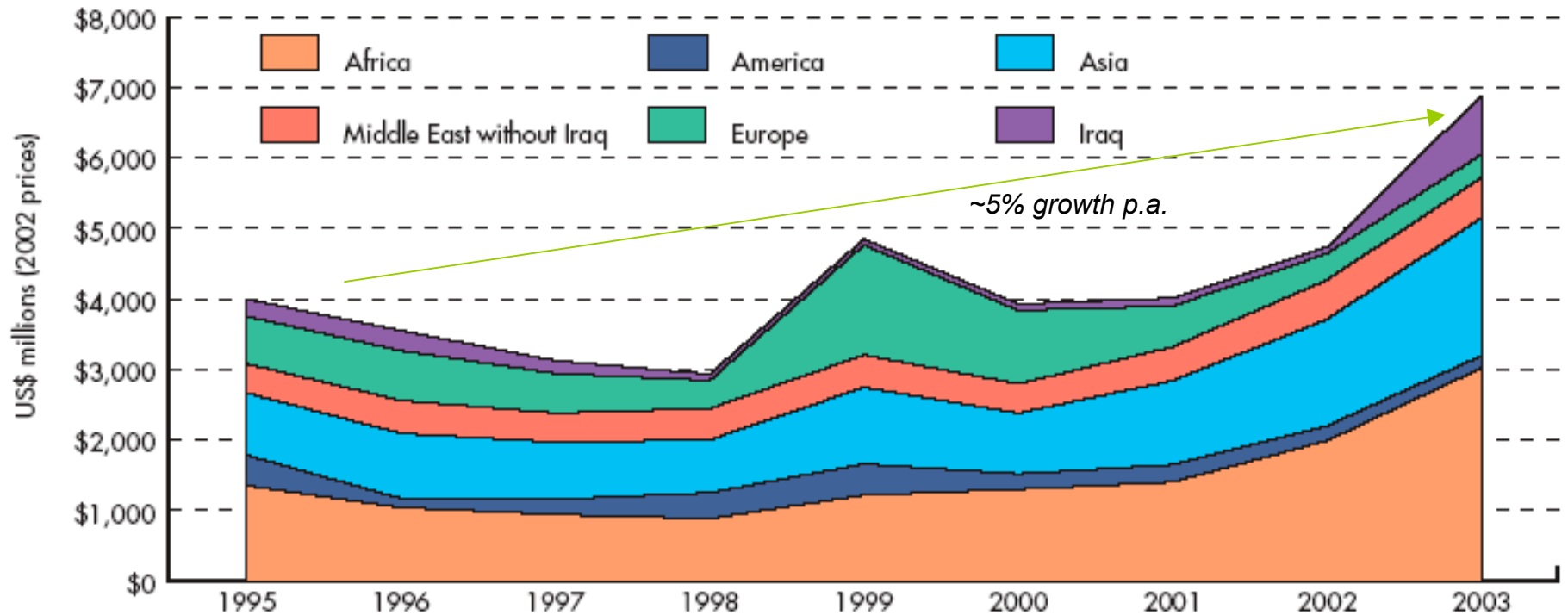
About \$12 Bn / year spent on emergency response - largely government funded directly or via UN, NGO's or Red Cross



Source: OECD – DAC, Global Humanitarian Assistance report, Good Humanitarian Donorship Project, Annual reports, interviews

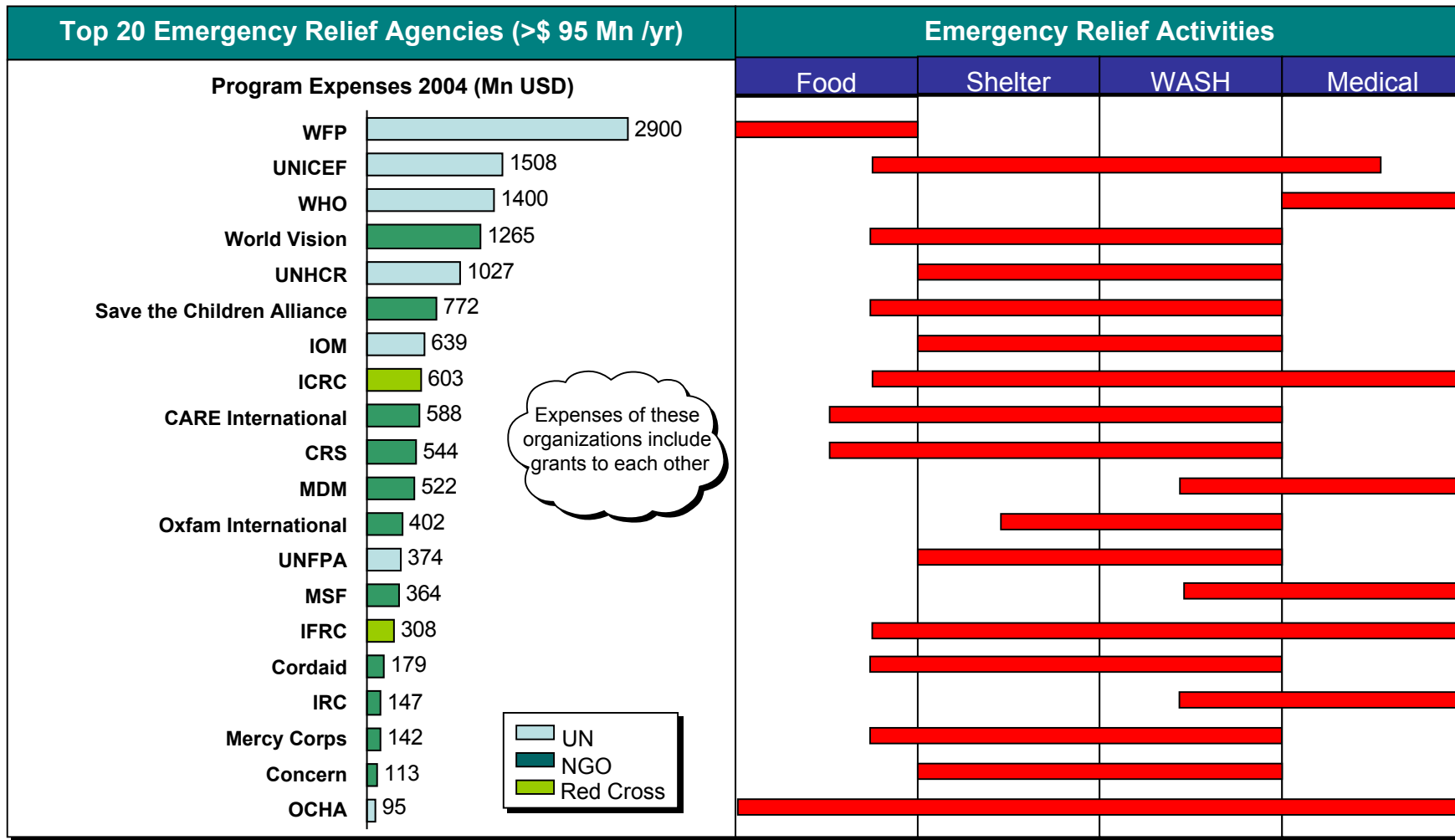
Donor funding overall is still growing at 5% per year of which Africa remains the largest recipient

Donor Funding of the Major Donors
(members of the OECD Development Assistance Committee)
1995 -2003



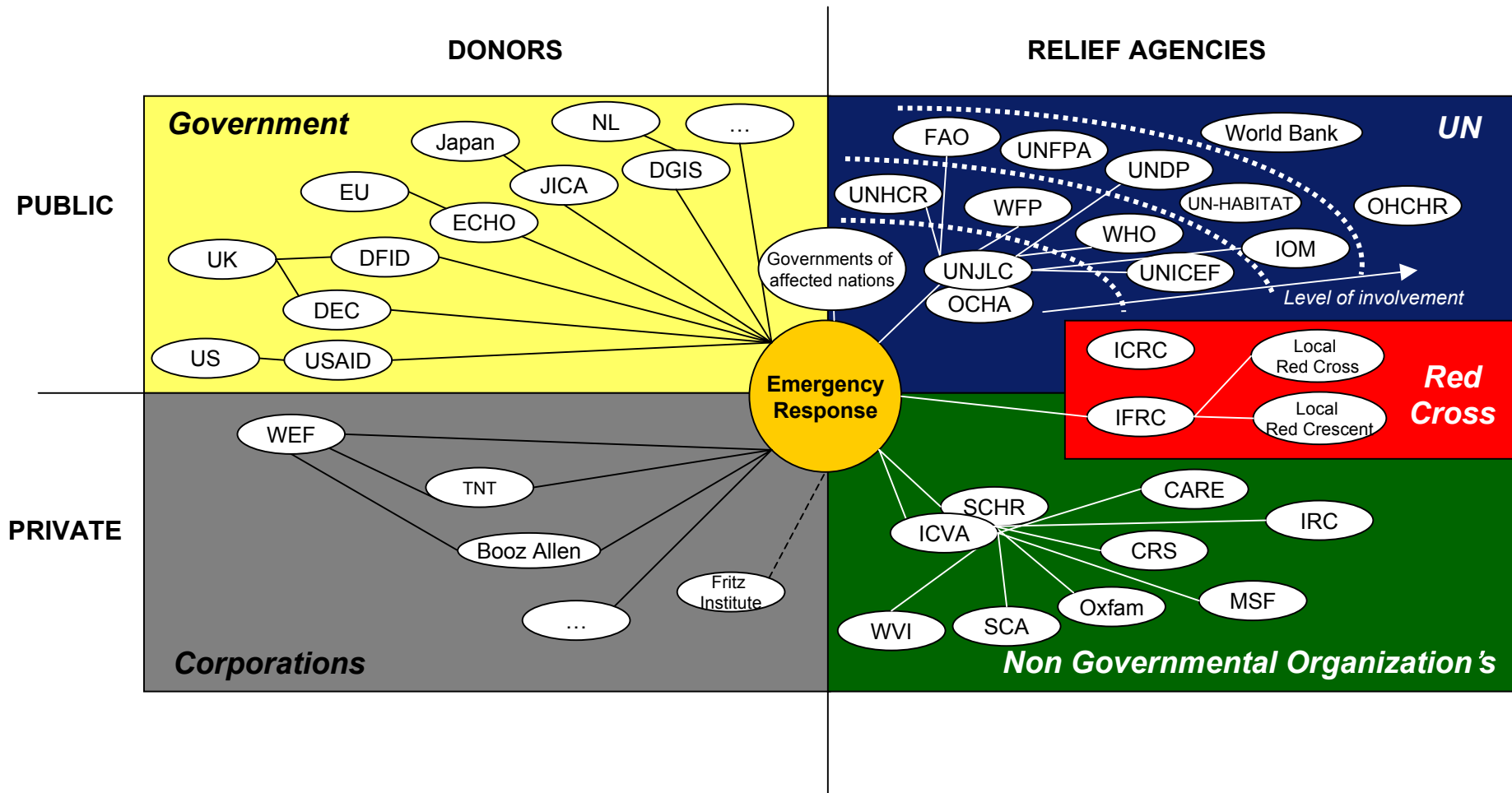
Source: OECD DAC statistics

Main international relief agencies spend ~\$600 Mn/yr on average on both emergency & development aid



Source: UN, NGO annual reports, interviews

Many parties involved in emergency response which poses serious challenges to the coordination and efficiency of aid



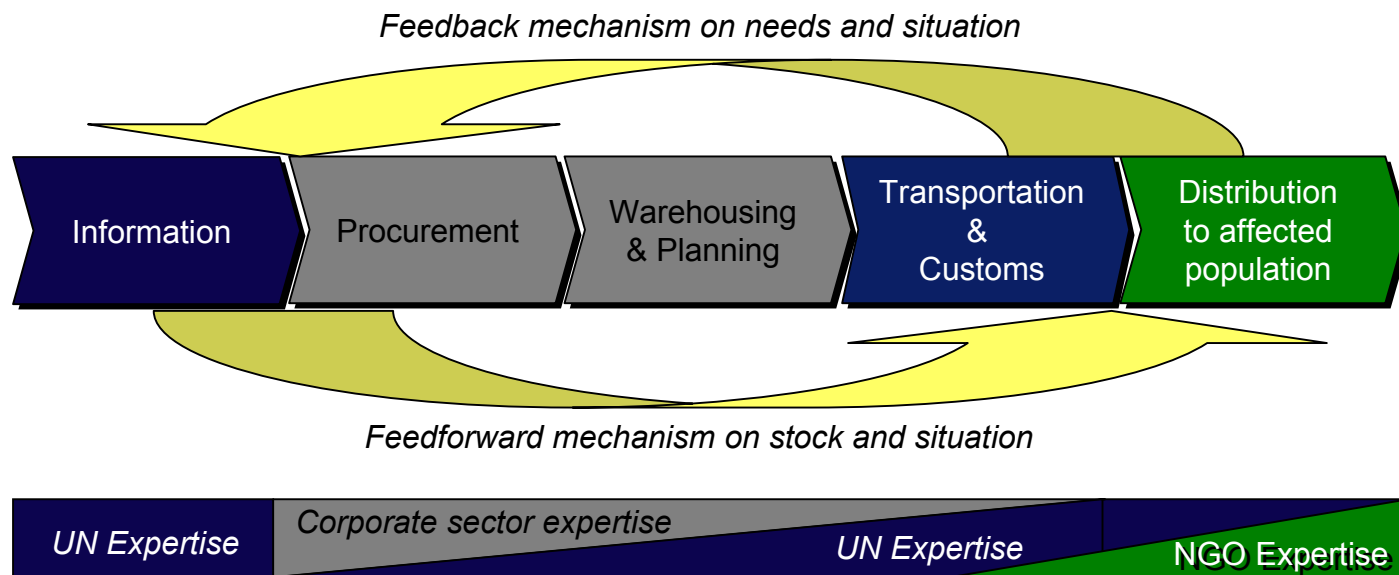
The challenge is to increase efficiency (do more at less cost) and effectiveness (faster) of disaster responses

Agencies increasingly see value in developing a concept called the Humanitarian Response Network (HRN) which could act as an information management hub.

The HRN would aim to.....

- Improve response times to help more victims
- Improve cost efficiency of the response to do more with the same funding
- Reduce the complexity of the emergency response
- Increase coordination between all stakeholders and support linkages with the corporate sector
- Promote improved logistics preparedness and supplies pre-positioning opportunities

The Humanitarian Response Network would be able to make optimal use of each sector's expertise



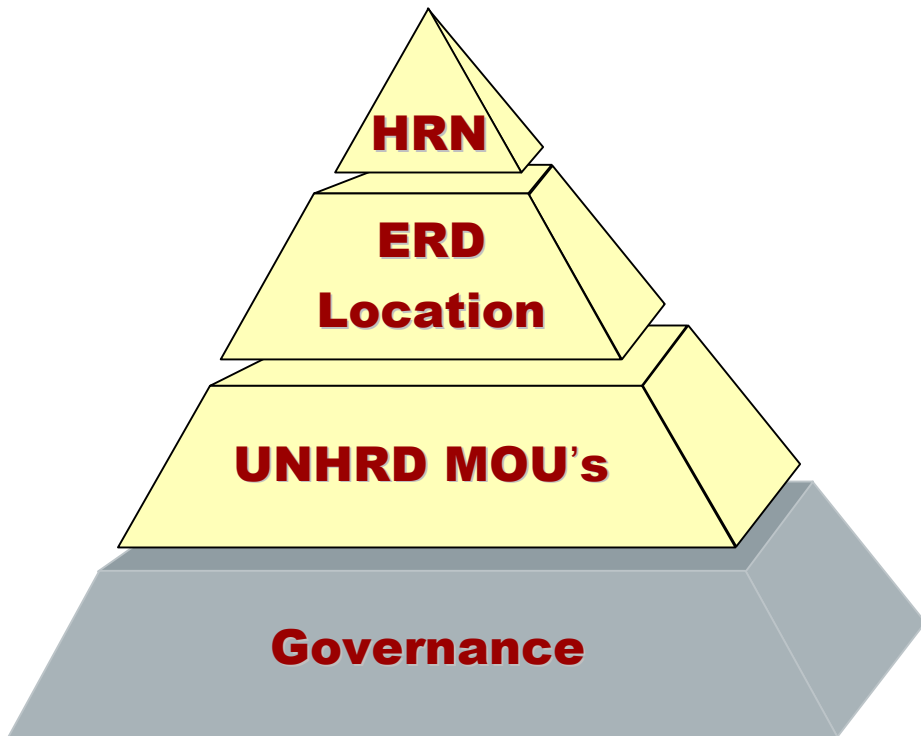
The advantages to pre-positioning relief supplies are:

- **Improvement of response times (<48 hours)**
 - Direct access to relief goods / Faster access to airlift
- **Better coordinated logistics response mechanisms**
 - Common first-wave pipeline for response (supply better fit to demand)
 - Limit number of organizations bringing in goods
- **Central access to up-to-date information**
 - Central planning of logistics
 - Up-to-date information / common needs assessments
- **Access to funding**
 - Access to CERF to pre-finance operations awaiting appeals
 - Access to free NFI (donated product) for first response

...as well as in cost efficiency

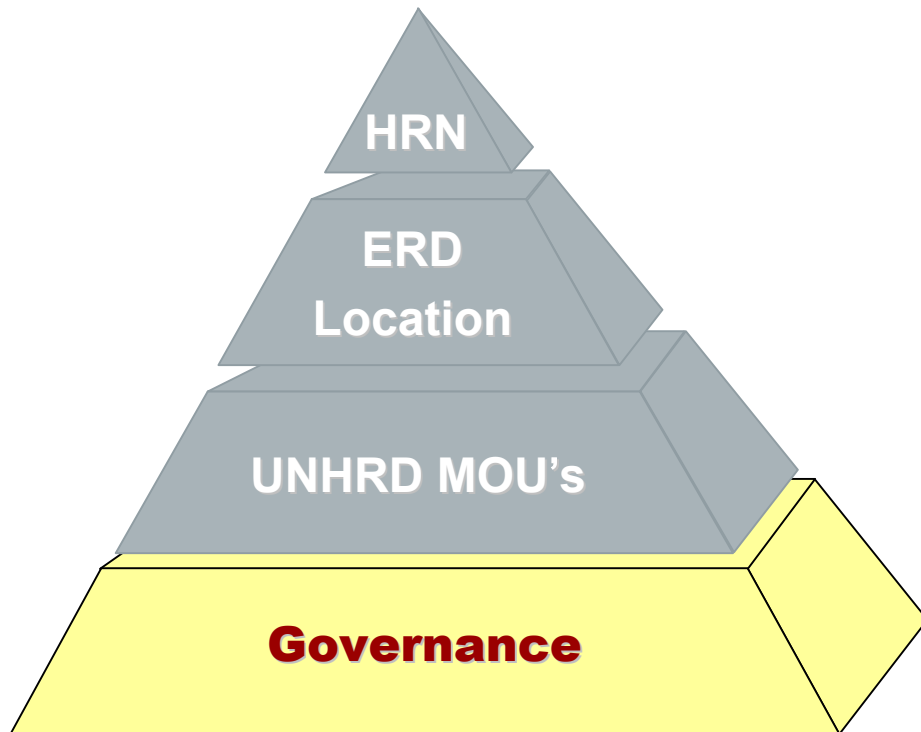
- **Low cost warehousing operations**
 - Shared use of warehouse capacity / better stock turnover
- **Freight cost reductions**
 - More efficient use of transport resources
 - Greater bargaining power
- **Better procurement of goods**
 - Relief goods and support goods are procured in larger quantities leading to lower prices
 - Cost reductions due to standardization
 - Better conditions in Long Term Agreements
 - Possibilities for virtual stock and higher priority in times of scarcity

Proposed Organizational Structure



- ▶ The HRN would be a logistics preparedness and response platform:
- ▶ There is a need for INGO groups to form potential components of the HRN
- ▶ The UNHRD currently offers space in a network of warehouses
 - ▶ Each organization signs individual MOU's with UNHRD

Issues of Governance



Five important procedures and protocols need to be established:

- **Decision-Making Procedure**
- **Procurement protocol**
- **Cost Allocation protocol**
- **Operations protocol**
- **Activation protocol**