Challenges and Opportunities in Humanitarian Supply Chain

Coordination and cooperation in aid and relief logistics

Mr. Sean Rafter, Managing Director
30 May 2017, Leipzig, Germany
Relevance of Humanitarian Operations

- People receiving humanitarian assistance
  - 346 reported disasters
  - 65 million people fled from violence or persecution
  - 89 million people affected by natural hazard disasters

- US$ 66.5 billion economic losses

- US$ 28.0 billion spent on humanitarian response globally
  - 12% rise (US$ 2.9 billion) from previous year
  - 50% rise since 2012
  - Increasing fund gap

https://fts.unocha.org/appeals/overview/2016
Complexity of Humanitarian Network
An interconnected system involving fast flows of funds, goods and data

Declaration of emergency

Funding

Rules & regulations

Suppliers & Markets

Post-disaster Assessment & Planning

Project & Planning Adjustments

Procurement & Resource Mobilization

Evaluation & lessons learned

International & in-country transportation & storage

Last mile & distribution

Monitoring & Reporting

Preparedness & Pre-disaster planning

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## Cost of Emergency Supply Chain

### Average supply chain expenditure

<table>
<thead>
<tr>
<th>Event</th>
<th>Total supply chain expenditures</th>
<th>Total non-supply chain expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsunami, Indonesia (Jan - Jun 2005)</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>Armed Conflict, CAR (Aug 2009 - Sep 2015)</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Earthquake, Haiti (Jan 2010 - Dec 2011)</td>
<td>67%</td>
<td>33%</td>
</tr>
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<td>Cholera, Haiti (Jan 2010 - Dec 2011)</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>Ebola, Liberia &amp; Sierra Leone (Jul 2014 - Aug 2015)</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Earthquake, Nepal (Apr - Nov 2015)</td>
<td>62%</td>
<td>38%</td>
</tr>
</tbody>
</table>

**Average supply chain costs across all 6 emergencies**
- 31% (US$ 17-22 billion)
- 69% (US$ 4.2-5.6 billion)

**60-80%** (US$ 17-22) billion

**25%** (US$ 4.2-5.6 billion)

transport related costs
Return on Investment
Preparedness Framework

Emergency | Actual Cost (€) | Preparedness Investment (€) | Simulated Response Cost (€) | Savings (€)
--- | --- | --- | --- | ---
Nepal | 531,000 | 13,000 | 449,000 | 82,000
Haiti | 2,816,000 | 47,000 | 2,472,000 | 344,000
Challenges of Humanitarian Supply Chain
“Delivering in a Moving World” (Guerrero-Garcia et al., 2016)

I. Strengthening Local Response
II. Marriage of Cash & In-Kind
III. Access to Beneficiaries in Complex Emergencies
IV. Engage Private Sector in Humanitarian Operations
V. Coordination, Collaboration & Shared Services

Meeting the increasing scale, cost and complexity
Coordination and Cooperation
Opportunities for private-public engagement

- Additional air capacity
- Global stock prepositioning cost reduction
- Standby technical experts
- Shared local resources and common services
- Expanded coordination network
- Technology
- Shared investment in infrastructure
Thank You

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