

Stock Prepositioning

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Introduction

The ability to provide supplies quickly and cost effectively is often a great challenge due to the location of emergencies and access restrictions. To reduce the time taken to respond to emergencies, organisations hold critical material in “stock” at strategic locations. This logistical technique can improve responsiveness and is called stock pre-positioning. Pre-positioning of stocks supports business continuity, reduces delivery lead times, cuts the cost of transportation and overall contributes to a timely response. Stock pre-positioning is not limited to an organisation having its own physical stocks in a particular location, but also embraces vendor agreements that make a provision for access when the need arises.

Types of Pre-Positioning

Framework agreements

An framework agreements (FA) is a long term agreement. It allows quick access to basic relief items based on organisational specification and located in various strategic points nationally, regionally or worldwide. They can therefore be international or local.

Supplier stock

Many suppliers keep stock in their warehouses and it is important to be aware of their stock availability and the price. Suppliers may regularly send out to humanitarian organizations their monthly or quarterly stock position and often do so on request.

Government stocks

These are stocks maintained by the government for response purposes or to buffer shortfalls in the economy.

Organisation stock

Some humanitarian organizations have global, regional or national warehouses. In case of emergency, the stocks in these warehouses are mobilised to support the emergency. Updated stock reports of various warehouses may be periodically circulated within and outside the organisation.

Local agreements

Most humanitarian organisations have local agreement with suppliers which allow them to have quick access to basic relief items.

Strategic pre-positioning networks

These networks are provided through collaboration of humanitarian organisations like the, United Nations Humanitarian Response Deport (UNHRD - www.unhrd.org), regional Inter-agency working groups, and International Federation of Red Cross and Red Crescent Societies (IFRC - www.ifrc.org) depots.

Advantages of pre-positioning in emergencies:

- the goods available are according to an organizations pre-approved specification;
- goods in stock meet Sphere standards (time is taken before the emergency to source goods with the right specifications);
- key emergency relief commodities are available at the right time;
- goods are strategically positioned in the accessible locations;
- goods are available at the right price that has been pre-negotiated and therefore able to buffer high costs associated with emergencies;
- reduce lead-time by eliminating the necessity for a tender process;
- under these framework agreements suppliers guarantee to maintain a set cost for a specified time period and in most cases also agree to reserve and store a certain quantity of the product. This means that items are ready for emergency use and there is a guaranteed stock level at any given time (except when restocking is necessary after a large-scale sudden-onset emergency); and
- framework agreements ensure that the vendors have a production capacity that can adequately replace stocks within very short time-frame. They may also provide back-up vendors to cover in the event of stock-outs with the principle vendor.

Stock Pile Mapping

To facilitate emergencies globally, the Humanitarian Response Review recommended to "the expansion of global mapping of relief stocks through which agencies report on quantity, values, geographical positioning, availability and access" of stockpiles of relief goods.

The directory of emergency stockpiles of disaster relief items was developed as a collaborative effort between governmental organizations, clusters, NGOs and UN agencies. The "Global Mapping of Emergency Stockpiles" is a major part of the humanitarian community's efforts to improve the emergency response in affected areas. It provides a single-entry interface to map the capacities and resources of humanitarian actors to respond to the needs of affected populations in case of emergency. It is a central platform which places increased emphasis on " who has what where " by region, sector, organization and/or organization type.

Access the [Global Mapping of Emergency Stockpiles\(OCHA\)](#)

Conclusion

Stock Pre-positioning is a preparedness measure which can improve responsiveness. Pre-positioned stock enables response to immediate needs in an emergency and reduce lead time.

Links and further References

Links

The United Nations Humanitarian Response Depots

The United Nations Humanitarian Response Depot is a preparedness tool that supports the strategic stockpiling efforts of United Nations, international, governmental and non-governmental organizations. The network holds strategic stock reserves of emergency relief goods. For more details visit [UNHRD website](#).

Reference

- [IFRC Logistics Manual](#)
- [WFP UNHRD](#)

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