

Storage Arrangements

When approaching warehousing, either at an international or response level, there are a variety of options available. Some options – such as government partnerships or temporary structures – make sense for short term or emergency contexts, while larger more sophisticated warehouse solutions might require long term investment and substantial resources over time. Below some of the solutions available to humanitarian agencies.

Self-Owned / Self-Managed Storage – Many humanitarian agencies with long term strategies and well-defined response plans choose to run their own warehouse facilities on a permanent basis. Self-managed solutions include owning an entire warehouse structure and the ground surrounding it, owning a warehouse structure but leasing the grounds upon which it's built, or renting or leasing an entire warehouse/storage facility and the grounds surrounding it.

Self-managed warehouses can bring total control to an aid agency, but come with their own challenges:

- Needing to identify and manage physical space.
- Identifying, training and managing personnel.
- Assuming most or all cost and risk associated with running the facility.
- Establishing and adhering to warehousing and stock management policies.

Due to the nature of most humanitarian contexts, agencies tend to own or operate their own facilities in the affected countries. As such, humanitarian agencies focus on and develop strategies largely for country and field level warehouses, sometimes with an emphasis on the lowest operating parameters. Agencies may choose to self-own or self-manage larger regional or international warehouses too, however this comes with increased complexity and operational knowledge.

Commercial – Commercial rented or leased warehousing space can be a very attractive option for many agencies, either for rapid short-term solutions or for remotely managed facilities. Renting commercial space brings several advantages:

- Permanent storage structures already built.
- MHE and racking/storage equipment already installed.
- Advanced warehouse management software may already be in place.
- Warehouse workers already trained and readily available.
- Security precautions already taken.
- Flexibility.

Storage with a commercial third-party provider can vary based on contract type; humanitarian agencies may wish to rent an entire warehouse facility for themselves, or they may wish to only pay for the physical space inside a warehouse that they use. The nature of billing for commercial warehouses varies between contracts as well, but the following rates are common:

- In and out charges per pallet or cubic meter.
- Storage rate per day/week/month, charged per pallet position occupied or cubic meter.
- Packaging and labelling fees.
- Offloading/Loading charges per vehicle.
- Monthly/annual security and insurance charges.

Buying into a warehouse arrangement – especially one managed by a large international company is a good way of increasing covered storage space quickly, and is useful for storage sites in regional or international settings where permanent employees of the respective aid

agencies are not based. Commercial warehouse solutions tend to only be useful in more developed contexts, or areas not prone to civil unrest. Commercial warehouse providers are also not humanitarians by nature, and may engage in activities that humanitarian organisations disagree with, such as support to military activities. Each of these factors will need to be considered by agencies entering a commercial option.

Government or State Facilities – Government or state-run facilities include any storage situation in which a state or acting agent on behalf of a state manages part or all of a storage facility. Storage in customs facilities at ports, harbours, airports, and cross border transit depots will be government managed or run, and humanitarian cargo passing through such storage facilities is quite common. Some humanitarian organisations may choose to partner with local and national governments in non-customs or security settings, utilising government storage and/or augmenting government capacity through equipment and training. When partnering with governments, agencies must balance the anticipated capacities of the government in question as well as the need for impartiality and neutrality. Such decisions are entirely up to the mandates and tolerance thresholds of the individual agencies who may choose to do so.

Partner/Common Storage Facilities – Some humanitarian agencies may wish to participate in communal or partner managed common storage options, such as those offered by Logistics Cluster partners in field settings or the United Nations Humanitarian Response Depot Network in key and strategic regional locations. Humanitarian agencies may also wish to enter into storage agreements between each other, however this typically requires individual agencies reaching contractual terms on risks and liabilities of each. Partner storage agreements might be extremely useful in the early days of an emergency, when warehouse space is limited or agencies may only have a limited presence of days or weeks at a time.

Types of Warehouse Space

Within the different storage arrangements available to partners, there are different functions that each of these facilities may provide. Some of these functions might include:

- **Transit** - for temporary storage of goods destined for different locations and need storage for a very short time.
- **Pre-positioning** – stock meant for unknown emergencies, usually sitting for long periods of times before being called forward. Stock in these facilities is usually designed with long term storage in mind.
- **Bonded Storage** – for storage of goods whose duty is unpaid and especially where the goods are destined to another country. Pre-positioned stock is often held in bonded storage to facilitate export. Customs holding facilities are usually bonded, but private companies can be certified bonded as well.
- **Open Storage** – storage contained in the open air, usually in a secure area. Not ideal for perishable products. In emergencies, sometimes open storage is the only alternative.
- **Temporary Structures** – usually capable of being established quickly in areas where regular permanent storage solutions aren't available. Temporary structures might include tents or Mobile Storage Units (MSUs).