

THE CDEMA SUB- REGIONAL WAREHOUSING GUIDELINES

CDEMA CU

April 2013

Prepositioning of stock has been utilized as one of the strategies when mounting an effective response to emergencies. In the Caribbean this strategy has been employed both at the national and regional level with the establishment of both national and regional level warehouse inventory and assets in order to facilitate a rapid response to the affected population. There must be high levels of accountability and transparency associated with the process in the form of well documented policies, guidelines and procedures. As a result this document has been developed to provide the necessary guidance procedures to manage the region's warehouse mechanism.

SUB-REGIONAL WAREHOUSING GUIDELINES

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GLOSSARY OF ACRONYMS

CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDEMA CU	Caribbean Disaster Emergency Management Agency Coordinating Unit
ECDG	Eastern Caribbean Donor Group
EOQ	Economic Order Quantity
GDP	Gross Domestic Product
LLCS	low lying coastal states
MCC	Management Committee of Council
MoU	Memoranda of Understanding
NDO	National Disaster Office
PS	Participating States
SIDS	Small Island Developing States
SRFPs	Sub-regional Focal Points
VW	Virtual warehouse

1. OVERVIEW

STRUCTURE OF THE SUB-REGIONAL WAREHOUSE GUIDELINES

This document, aimed at providing the necessary guidance procedures to manage the regional warehouse mechanism, is divided in to fifteen (15) sections.

Section 1 consists of the Overview which presents an overview of the importance of warehousing in emergency operations. It highlights the significant emergence of national warehouses in the region and the implications against the background of the establishment of the regional warehouses.

Section 2 entitled Introduction addresses the background for establishment of the Sub-Regional Warehouses in accordance with the Agreement establishing Caribbean Disaster Emergency Management Agency (CDEMA) and the role in regional response. The key relevant text from the CDEMA Agreement and Protocols for Sub-regional Operational Response Units are included.

Section 3 examines the establishment of the national warehouse mechanism as part of the wider regional warehousing strategy. It highlights the rationale for minimum capacity building for warehousing at the national level. Reference is made to the proposed minimum stock list for all national warehouses which is appended at Appendix 1 of this document.

Section 4 highlights the establishment of assets at regional level, background, source, and purpose of this initiative. It also introduces and highlights the adoption of the virtual warehouse concept as an effective aid in warehousing operations in the region. Reference is also made to a proposed minimum list for the sub-regional warehouse network which is appended at Appendix 2 of this document.

Section 5 speaks to the financing of the sub-regional warehouse mechanism with particular reference to provisions of the CDEMA Articles of Agreement relating to financing. The section also covers financing arrangements between the Requesting and Sending State as well as addresses the option of financing from external sources.

Section 6 focuses on the issue of insurance of assets housed in the CDEMA Sub-Regional warehouses.

Section 7 expands on the inventory and control of assets at the sub-regional warehouse addressing structural and non-structural measures such as facility security as well as reporting and audit mechanisms amongst others implemented to safeguard the sub-regional warehouse assets.

Section 8 states the competent authorities that can request assets from the regional warehouse. This section also outlines four situational scenarios that may occur prompting the requesting of assets from the sub-regional warehouse and the procedure that will be followed once the scenario presents itself.

Arrangements for transportation and shipping of assets are explained in Section 9 of the document. The context and applicability of the CDEMA Agreement is considered. Arrangements for transport are indicated as well as customs and cargo requirements. The use of the CDEMA Emergency Assistance Fund and other existing Grant arrangements accessible to the regional are also considered.

Section 10 addresses the replenishment of assets of the sub-regional warehouse expounding on the roles and responsibilities of the regional, sub-regional, national and external stakeholders such as collaborating donors.

Sections 11 and 12 respectively highlight the extraordinary use of the sub-regional assets and their subsequent replenishment. Such extraordinary use may arise as a result of significant national emergency events. The arrangement for replenishing under such conditions and the commensurate time period of the replenishment process is highlighted.

Section 13 considers termination of provision and use of assets from the sub-regional warehouse while the penultimate section (Section 14) addresses the procedure for disposal of regional warehouse assets.

Section 15 consists of a number of appendices that support the main document.

2. INTRODUCTION

Against a backdrop of a proliferation in the number and intensity of emergencies and disasters which have impacted the Caribbean region, the Caribbean Community has since 2001 espoused and adopted the Comprehensive Disaster Management Strategy and Framework and rearticulated the Enhanced Comprehensive Disaster Management Strategy and Framework in 2007. This strategy and framework embodies the concept of all hazards, natural and man-made, at all phases of the disaster continuum and an all-sector approach. The intended goal is to link comprehensive disaster management to national development decision-making and planning in an attempt to promote a culture of safety.

The Caribbean Region, largely comprised of Small Island Developing States (SIDS) and low lying coastal states (LLCS), is acknowledged as being among the most threatened regions in the world, and is prone to a range of natural hazards, of which flood is the most frequently occurring. The region has experienced more than ten (10) major hurricanes in the last decade with some countries experiencing repeated impacts in some years with enormous economic losses. For instance Hurricanes Fay, Ike, Hannah and Gustav affected Haiti in 2008 the country experienced US\$897 Million in damages or 14.6% of that country's GDP; Hurricane Ivan impact on Grenada in 2004 totalled over US\$800 million or twice Grenada's GDP. According to a World Bank report the hurricane impact was responsible for a US\$26 million or 24% fourth quarter decline of the GDP in 2004. Economic losses of US\$18.8 MILLION or 2.3% of the GDP was suffered by St. Lucia as a result of Hurricane Dean in 2007.

There has been recognition by the Caribbean Community as part of the comprehensive disaster management strategy and framework that the promotion of a culture of safety includes the need to be in a state of continuous operational readiness. This includes the deliberate effort by the national and regional disaster management mechanism to develop and operationalize the concept of a warehousing mechanism which amongst other things focuses on the maintenance of emergency stock.

Prepositioning of stock has been utilized as one of the strategies when mounting an effective response to emergencies. Such strategic stockpiling ensures the availability of and accessibility to immediate emergency supplies which will

eventually be directed to the affected population. In the Caribbean this strategy has been employed both at the national and regional level with the establishment of both national and regional level warehouse inventory and assets.

While this measure has as its' ultimate goal the facilitation of a rapid response to the affected population, there must be a high levels of accountability and transparency associated with the process in the form of well documented policies, guidelines and procedures.

Under Article XVI and in accordance with Article VIII (c) of the CDEMA Agreement, the CDEMA Council is empowered to: "...designate national disaster and disaster management organizations as Sub-Regional Disaster Emergency Response Operational Units with prior consent of the Governments of the Participating States." These Sub-Regional Disaster Emergency Response Operational Units are geographically formed groups for which response coordination support is provided by four island states also called Sub-regional Focal Points (SRFPs). In that context it is anticipated that the SFRPs shall maintain a pool of resources that can be applied to emergency response and recovery for any one of the Participating States (PS) which fall in its geographic area. The SRFP shall therefore maintain a level of preparedness to facilitate timely response to any disaster occurring in its Participating States.

The SRFP shall be located within the National Emergency Agency of the country where it resides and should have within its domain disaster resource inventories of the participating countries falling within its sub-group. The SRFP shall be housed in a hazard resilient facility, which can withstand, as far as possible, the effects of a major threat and impact of a disaster.

The specific responsibilities of the Sub Regional Response Units as it relates to the establishment and maintenance of warehousing capacity and assets in:

a) The Pre Impact Stage

- i. Relating to resource management include the requirement to maintain an inventory and establish Memoranda of Understanding (MoU) with sub-regional agencies specific to the SFRP's sub-region for transporting and retrieving relief supplies and equipment within the sub-region and other Participating States, in support of other CDEMA CU MoU.*
- ii. Relating to logistics, support includes the requirement to maintain a regional warehouse to support immediate relief assistance to*

countries in the sub-region and other CDEMA Participating States in collaboration with the CDEMA CU.

b) The Post Impact Stage

- 1. Relating to resource management include the requirement to release resources from sub-regional warehouse as requested by the CDEMA CU.*
- 2. And redeploy resources as appropriate including those maintained in the sub-regional warehouse.*
- 3. Relating to logistics support, the requirement to act as the staging area or base from which regional response resources are deployed.*

3. ESTABLISHMENT OF NATIONAL WAREHOUSES

In support of the agreement establishing CDEMA under Article 4 Objective Paragraph(e) which states that the Agency was established “ to promote the establishment, enhancement and maintenance on a sustainable basis adequate emergency disaster response capabilities among the Members of the Agency, there has been a deliberate initiative by the 18 CDEMA Participating States to build national capacity with one of the identified interventions as that of the establishment of national warehouses to house national stock for use by the affected countries’ population during an emergency or disaster. “Warehouses are required when the lead-time required to purchase and mobilize relief items is expected to be lengthy or when responding to a protracted crisis.”

Each Participating State has established national warehousing arrangements and has to varying degrees implemented an inventory management mechanism inclusive of activities to ensure national warehouse assets are protected from waste, theft and abuse.

Considerations such as the geographic conditions and characteristics of the country as well as the scale of the operation, distances, infrastructure, available transport, storage capacity and seasonal conditions determine the number and locations of the national warehouse(s) and the extent of the national warehousing system.

Critical Assumptions

It is expected that:

The National Warehousing Mechanism will be supported by documented warehouse guidelines and Standard Operating Procedures which guide the process.

Adequate human resources will be available to the national warehouse operations

There will be provisions in the national budget to support the operations of the national warehousing mechanism

There will be a documented minimum inventory list developed for national warehouses

Developing a Minimum Inventory List for National Warehouse utilising the Economic Order Quantity concept and formula (and correlated to risk profile)

$$EOQ = \sqrt{\frac{2(\text{Annual usage in units})(\text{Order cost})}{(\text{Annual carrying cost per unit})}}$$

Annual Usage: Forecasted annual usage (1% of population per country or per sub-region)

OR

Annual Usage: Forecasted annual usage (subject to historic usage based on risk profile of country or of sub-region)

Order Cost for purchased items (associated with frequency rather than quantity of order):

% of time within the department consumed performing the specific activities of purchasing, inspecting and packing items (man hours) x total labour costs for a month (Storekeeper's salary for month)/by line items processed for month

Carrying /holding costs:

(Includes Inventory investment and storage costs)

Interest (made on inventory cost if it were invested per year) + Insurance (per year) + Taxes (on value of inventory) + Cycle Counting (time taken to physically count stock) + storage costs (only if it varies per inventory stock stored)

This will have to be programmed into your inventory management system which will allow for speedy recalculation when required.

The values of the order cost and carrying cost should be evaluated at least once per year taking into account any changes in interest rates, storage costs and operational costs.

To verify or prove the EOQ

Total Annual Cost = [(annual usage in units)/ (order quantity)(order cost)] + {[.5(order quantity)+(safety stock)] *(annual carrying cost per unit)}

Safety stock = Standard Deviation * Service Factor * lead time factor *order cycle factor * forecast- to-mean- demand factor

Developing A Minimum Inventory List For National Warehouse Utilising Population And Demographics

The stock levels of the national and regional warehouses will be based on an agreed upon percentage of the countries populations.

In the case of the national stock it is being recommended that the national warehouses house stock levels equaling that which can satisfy one (1) percent of the specific country's population. Further it is being suggested that the sub-regional warehouse stock levels equal 0.5% of the most densely populated country in the sub-region.

OR

Developing a Minimum Inventory List for National Warehouse Utilising Population, Demographics and taking into consideration Country/Sub-Regional Risk Profiling

The stock levels of the national and regional warehouses will be based on risk profile an agreed upon percentage of the countries populations and take into consideration country risk profiles.

In the case of the national stock it is being recommended that the national warehouses house stock levels equaling that which can satisfy one (1) percent of the specific country's population. Further it is being suggested that the sub-regional warehouse stock levels equal 0.5% of the most densely populated country in the sub-region.

Proposed Formula to Determine the Quantity of Warehouse Space Required to Store a Specific Quantity of a Particular Item

The proposed Formula to Determine the Quantity of Warehouse Space Required to Store a Specific Quantity of a Particular Item is as follows:

*Cubic feet of item * Number of item*

4. ESTABLISHMENT OF ASSETS AT THE SUB-REGIONAL WAREHOUSE

Background

The Caribbean Disaster Emergency Management Agency was established to ensure that there was disaster management capacity in the region:

- i. To make “immediate and coordinated response” to disasters in Participating States (PS)*
- ii. To mobilize and coordinate disaster relief from governmental and non-governmental organizations for affected PS*
- iii. To promote the establishment, enhancement and maintenance of disaster response capabilities among PS.*

It is with this entrusted mandate in mind that during the decade of the 1990's there was a strategic move to establish the CDEMA sub-regional focal point mechanism simultaneously coupled with the establishment of warehousing capacity and assets at the each of the four(4) sub-regional focal points all in an effort to build regional capacity.

Over the years the region benefitted from United States Southern Command support of warehousing enhancements not only at the sub-regional level but also at the national level (with the exception of the Overseas Territories). This has aided in the continued regional warehousing capacity, facilitation of operations and a capability of CDEMA to make an immediate and coordinated response by means of emergency disaster relief to an affected Participating State when the need arises as set out in the Caribbean Regional Response Mechanism's Regional Coordination Plan and in accordance with the provisions of the CDEMA Agreement.

The purpose therefore of the establishment of assets at the sub-regional warehouse is to render assistance to any affected Participating State(s) in an emergency or disaster operation which needs surge capacity and capability to augment their national stock. Surge Capacity in this context refers to the ability of the national or regional warehouse to evaluate and provide increased volume of resources. The critical assumption here is that the necessary standby quantities of assets depend on the systems and processes that:

- i. Identify the requesting country (ies) need,*
- ii. Identify the resources to address the need in a timely manner*

- iii. *Transport the resources expeditiously to the relevant affected locations;*
- iv. *Manage and support the resources to their absolute maximum capacity.*

Whereas, surge capability refers to the ability of the national or regional warehouse to provide unusual or specialized resources. Such surge requirements may consist of assets not normally available at the location where they are required.

Clearly this will require what can reasonably be expected to be stored as well as the quantity. This will also have to take into consideration the architecture of warehousing system in country and in the region which would include public and private sector warehouses as well as the whole concept of the virtual warehouse as set out below.

Virtual Warehousing

The concept of the virtual warehouse will be utilized to contribute to the regional warehousing system of CDEMA. The warehouse assets contained in the warehouses in the region will be supplemented by virtual stocks. Such a strategy encompasses the real-time visibility of global inventory that can provide additional surge capacity and capability to CDEMA's regional warehouse stock.

The virtual warehouse (VW) relies on information technologies and real-time decision algorithms to provide operating efficiencies and global inventory visibility comparable to that achieved in a single-location world-class warehouse (Stuart et al., 1995). Virtual warehousing requires a built-in system of hardware and software to collect and communicate real-time data on global inventory as well as the use of algorithms to provide decision making support.

As part of this system Warehouse Managers can maintain databases which facilitate the easy access to information regarding the availability and source of supplies which the warehouse usually carries. Information such as real time vendor contact information, product details including description and costs, preferred suppliers based on stock quality, stock transportation and shipping cost, and their capacity to fill request in a timely manner.

Notably the assumption here is that this system is facilitated and maintained through the investment by regional governments of adequate provisions for hardware, software requirements as well as human, technical and financial resources.

5. FINANCING OF SUB-REGIONAL WAREHOUSE ASSETS

Arrangements between Requesting and Sending State

According to ARTICLE XXV COSTS OF PROVIDING ASSISTANCE stipulates that “Except as may otherwise be agreed between them, the expenses incurred by a sending State in providing assistance to a requesting State shall be defrayed by the sending State.

Further the impacted state must make every effort to facilitate the receipt of relief items at their ports of entry and where possible remove all costs and or fees in relation with landing the said items.

Financing from CDEMA Emergency Assistance Fund

According to ARTICLE XVIII EMERGENCY ASSISTANCE FUND Item 1 - “CDEMA shall establish an Emergency Assistance Fund (hereinafter referred to as “the Fund”) which shall be used solely to defray expenses incurred in connection with the rendering of assistance in the event of a disaster occurring in a Participating State. And in reference to Paragraph 4 - “ The Executive Director may accept contributions to the Fund from external sources on such conditions as may be prescribed by them and agreed by the Council for the benefit of all Participating States.

Financing from other External Sources

It is recognized; however, that redeployment of resources as appropriate including those maintained in the sub-regional warehouse may require some additional support. Existing funding arrangements already established (e.g. Eastern Caribbean Donor Group (ECDG) pledges, Caribbean Development Bank(CDB) emergency grant facility) to support response activities will be requested, where necessary, to support the efforts of CDEMA through the sub-regional focal points.

6. INSURANCE OF ASSETS AT THE SUB-REGIONAL WAREHOUSE

All insurance costs related to the regional warehouse assets (once housed in the Sub-Regional Warehouses) will be borne by CDEMA CU.

Updates on Asset Insurance will be done by the Sub-Regional Focal Point in conjunction with CDEMA CU on an annual basis.

Sending or Donating Agencies must facilitate or place at the disposal of the Sub-Regional Focal Point all information needed to ensure that the Asset Register is appropriately updated. (Specimen of a list of and type of information should be provided to countries)

The Sub Regional Focal Point Warehouse Manager is responsible for entering the physical data on asset insurance costs in the inventory management system.

The Sub-Regional Focal Point Warehouse Manager is responsible for physically updating and maintaining a current Asset Register.

CDEMA CU is responsible for carrying out an annual audit of the Sub Regional Warehouse Asset Register.

CDEMACU should discuss with the Insurance Companies or Body a standard for assessing insurance on items so that this can be implemented across the Sub-Regions.

Possible methods of calculating insurance are the straight line or reducing balance methods.

7. INVENTORY AND CONTROL OF ASSETS AT THE SUB-REGIONAL WAREHOUSE

This Inventory Control Policy and Procedure is essential in ensuring that assets are purchased in a cost efficient manner, stored correctly and safely, rotated to be used within their shelf life and disposed of in a timely and appropriate manner.

The following Inventory Control Policy and Procedure is being implemented by the CDEMA through the Sub-Regional Focal Point to safeguard the regional warehouse assets.

- i. Warehouse inventory checks will be conducted periodically and at the end of the CDEMA financial year.*
- ii. Actual inventory counts will be carried out by no less than a two-person team including a representative from the CDEMA CU and one from the Sub-Regional Focal Point.*
- iii. Variances in the inventory will be recounted for verification purposes.*
- iv. Any inventory adjustments will be reviewed and approved by designated CDEMA CU or Sub-Regional personnel who are not responsible for custody of inventory assets.*
- v. Any modifications to the inventory count once verified will be entered into the inventory management system by the Sub-Regional Focal Point Warehouse Manager*
- vi. Once warehouse inventory checks are conducted, a report must be generated, one copy maintained by the Sub-Regional Focal Point, and a copy sent to the CDEMA CU. **A comprehensive annual report from inventory checks should be generated and compiled by the CDEMA CU and submitted to Council.***
- vii. Transfers of inventories are carefully documented and recorded in the inventory management system by the Sub-Regional Focal Point Warehouse Manager*
- viii. All purchase orders and receiving documentation is verified for all assets received to facilitate payment of invoices and correct asset counts.*

- ix. *Inventory Management system will be put in place to reduce the occurrence of out-of-stock conditions.*

The following security arrangements are also being implemented to safeguard the regional warehouse assets.

The Sub-Regional Focal Point in conjunction with CDEMA CU will:

- i. *Make provisions for and implement adequate asset security and a system of internal checks.*
- ii. *Ensure that warehouse facilities are located where vulnerability to hazards is low, locational and operational vulnerabilities are taken into consideration including fireproofing of facilities, adequate locks are provided for to protect assets stored*
- iii. *Implement a surveillance system which will be financed by the CDEMA CU.*
- iv. *Permit only specified staff to issue assets/ resources.*
- v. *Control or limit the access of unauthorised persons.*
- vi. *Ensure that asset records are maintained in an office location removed from the warehouse.*
- vii. *Asset Records and Inventory Management System has built in redundancies or is backed-up.*
- viii. *Conduct periodic audits at least twice per year inclusive of the scheduled of CDEMA CU Inspections which will occur in May and December of each calendar year.*
- ix. *Investigate any difference between the record and actual quantity counts and make the necessary adjustments if this situation arises when conducting internal inventory checks and periodic audits.*

The CDEMA CU is responsible for all financing required when implementing an appropriate security system for regional warehouse assets.

8. REQUEST OF ASSETS FROM SUB-REGIONAL/REGIONAL WAREHOUSES

1. Stipulated Competent Authorities and or Contact Points for Requesting of Assets from the Sub-Regional Warehouse

According to CDEMA ARTICLE XXIII Competent Authorities And Contact Points Paragraph 1 states that “ In the absence of a contrary indication from a Participating State the competent authority and contact point authorised to make requests for and accept offers of assistance in the event of a disaster shall be the head of the National Disaster Management Agency.

Further Paragraph 2 states that “The Coordinating Unit shall be immediately informed of any change of the contact and focal points of Participating States.

And

Paragraph 3 provides that “The Coordinating Unit shall expeditiously inform Participating States and relevant international organizations with the information referred to in paragraphs 1 and 2 of this Article.

2. Situational Scenarios for which the Request of Regional Warehouse Assets may be required

Scenario 1

*In the event of an emergency or disaster where any of the Participating States in the sub-Region is overwhelmed and require additional assets to augment their national emergency operations they may request from the Sub-Regional Focal Point through CDEMA the use of sub regional warehouse assets. CDEMA CU is informed of the scope of impact and **requests specific items on behalf of the country.***

In some extenuating circumstances the affected country may request items from the Sub Regional Focal Point directly and request may be facilitated and CDEMA CU informed immediately of such an occurrence. A state of emergency/disaster area may or may not be declared.

Scenario 2

In the event of an emergency or disaster where any of the Participating States in the sub-Region is overwhelmed and require additional assets to augment their national emergency operations and the Sub-Regional warehouse resources are clearly overwhelmed the National Disaster Office (NDO) of the

*affected country with the support of the Sub Regional Focal Point may request from CDEMA the use of the other sub-regions' warehouse assets. CDEMA CU is informed of the scope of impact and **requests specific items on behalf of the affected country and or sub-region.***

In some extenuating circumstances the NDO of the affected country with the support of the Sub Regional Focal Point may request items from another Sub Regional Focal Point directly and such a request may be facilitated and CDEMA CU informed immediately of such an occurrence. A state of emergency/disaster area may or may not be declared.

Scenario 3

*In the event of an emergency or disaster where multiple Participating States in one of the sub-Regions or in multiple sub-regions are overwhelmed and require additional assets to augment their national emergency operations and the Sub-Regional warehouse resources are clearly overwhelmed the NDOs of the affected countries with the support of the Sub Regional Focal Point may request from CDEMA the use of the other unaffected sub-regions' warehouse assets. CDEMA CU is informed of the scope of impact and **requests specific items on behalf of the affected country and or sub-region.***

In some extenuating circumstances the NDOs of the affected countries and the Sub Regional Focal Point(s) may request items from another unaffected Sub Regional Focal Point directly and such a request may be facilitated and CDEMA CU informed immediately of such an occurrence. A state of emergency/disaster area may or may not be declared.

Scenario 4

*An impact occurring in multiple Participating States which clearly overwhelms the national and regional resources and where major external operations are required. The CDEMA CU, in conjunction with national governments within the region, may request assistance, on behalf of the region, from international donors and or countries based on established regional and international protocols or donor agreements. The provision of required assets may be provided through CDEMA's Virtual Warehouse. The CDEMA CU, in conjunction with national governments within the region, may inform potential donors of such an occurrence of the impact and **requests that the RCP be activated or if a state of emergency/national/regional disaster may be declared.** Actions at this level may include the activation of the RRM, the Sub Region(s) and full activation of the Regional Coordination*

Plan. This may also take into consideration any bilateral and multilateral agreements.

9. ARRANGEMENTS FOR TRANSPORTATION AND SHIPPING

According to the CDEMA Article XXVIII Transit Of Personnel, Equipment And Property “Participating States shall, at the request of the requesting State or the sending State, take all measures necessary to facilitate the transit through their territory of duly notified personnel, equipment and property involved in rendering assistance to or from a requesting State.” Therefore in keeping with the CDEMA Agreement the following procedures are being suggested.

The Requesting NDO will indicate to the Sending NDO and CDEMA CU:

a) The specific customs requirements to ensure that shipments conform to the receiving countries’ laws. This will include inbound cargo shipment requirements, agriculture or other restrictions on the movement of goods into the country (SEE Appendix indicating all 18 CDEMA Participating States Customs and Cargo Requirements).

b) How disaster relief supplies arriving by air, sea, road, rail will be received.

In some circumstances a Participating State may be utilized as a staging area for inbound and outbound cargo. The NDO where the cargo/ resources are being staged will indicate to the Requesting and Sending NDO and CDEMA CU:

a) The specific customs requirements to ensure that shipments conform to the receiving countries’ laws. This will include inbound and outbound cargo shipment requirements, agriculture or other restrictions on the movement of goods in and out of the country (SEE Appendix indicating all 18 CDEMA Participating States Customs and Cargo Requirements).

b) How disaster relief supplies arriving by air, sea, road, and rail will be receive, stored and transported to their next destination.

Use of Emergency Assistance Fund and Other Grant Arrangements for Shipping and Transportation

There may be cases where the Emergency Assistance Fund or other grant arrangements may be used to facilitate transport and shipping of resources/ cargo. According to CDEMA Article XVIII Emergency Assistance Fund Item 1 - “CDEMA shall establish an Emergency Assistance Fund (hereinafter referred to as “the Fund”) which shall be used solely to defray expenses incurred in connection

with the rendering of assistance in the event of a disaster occurring in a Participating State. And in reference to Paragraph 4 – “ The Executive Director may accept contributions to the Fund from external sources on such conditions as may be prescribed by them and agreed by the MCC for the benefit of all Participating States.

Where the Emergency Assistance Fund is being utilize to fund transportation and shipping arrangements, the following procedures may obtain:

The Participating State will indicate to the CDEMA CU:

- i. The need for funding for transport or shipping arrangements.*
- ii. The budgeted or actual costs of the services*
- iii. If they will require CDEMA to disburse funds in the first instance or,*
- iv. If they will need to be reimbursed for transport or shipping arrangements*

The CDEMA CU will indicate to the Participating State:

- i. The approval of the funds to be disbursed or reimbursed within 24 - 36 hours after the request.*
- ii. When disbursements will be facilitated for use by the Participating State. It should be noted that disbursements will be available within 24 – 48 hours after the request has been made by the Participating State*
- iii. When reimbursements will be facilitated and the necessary paperwork that is required to facilitate this process. It should be noted that reimbursements will be available within 2 weeks of the submission of the appropriate paperwork by the Participating State.*

Financing from other External Sources

It is recognized; however, that redeployment of resources as appropriate including those maintained in the sub-regional warehouse may require some additional support. Existing funding arrangements already established (e.g. ECDG pledges, Caribbean Development Bank emergency grant facility) to support response activities will be requested, where necessary, to support the efforts of CDEMA through the sub-regional focal points.

Where the Grant or Donor Funds are being utilized to fund transportation and shipping arrangements through the Sub Regional Focal Point Mechanism, the following procedures may obtain:

The Participating State through the Sub Regional Focal Point will indicate to the Grantor or Donor:

- i. The need for funding for transport or shipping arrangements.*
- ii. The budgeted or actual costs of the services*
- iii. When they will require the grantor or donor to disburse funds for transport or shipping arrangements,*

All information regarding the Participating State's request will be copied to the CDEMA CU.

The Grantor/ Donor will indicate to the Participating State through the Sub-Regional Focal Point:

- i. The approval of the funds to be disbursed within 24 - 36 hours after the request.*
- ii. When disbursements will be facilitated for use by the Participating State. It should be noted that disbursements will be available within 24 - 48 hours after the request has been made by the Participating State.*
- iii. The necessary paperwork that is required to facilitate this process should be submitted to the Grantor/ Donor by the Participating State through the Sub-Regional Focal Point and copied to the CDEMA CU.*

The Participating States may be required to abide by any stipulations laid down by the grantor or donor.

10. REPLENISHMENT OF ASSETS AT THE SUB-REGIONAL WAREHOUSE

The Regional Warehouse assets will need to be replenished from time to time. Ultimately the CDEMA CU will be responsible for financing any such replenishment however they may seek to do this with the assistance of Partner Donors.

*The CDEMA CU, Partner Donors and all countries within the Sub Region will discuss and make a final determination of the assets required to restock the Sub-Regional Warehouse. The proposed National and Regional Warehouse lists (**See Appendix I & 2**) can be utilized as references in this process.*

The CDEMA CU in conjunction with the Sub-Regional Focal Point NDO will be responsible for ensuring that the appropriate assets are sourced, received and inspected.

The CDEMA CU in conjunction with the Sub-Regional Focal Point NDO Warehouse Manager will be responsible for ensuring that the necessary procurement process is followed sourcing assets.

The CDEMA CU in conjunction with the Sub-Regional Focal Point NDO Accounting Staff will be responsible for ensuring that the necessary procurement process is followed when purchasing assets.

The Sub-Regional Focal Point Warehouse Manager will be responsible for ensuring that:

The receiving area is a secure area properly equipped to receive and inspect material prior to warehousing.

All Carrier information is logged, quantities of packages noted and bill of lading signed.

A detailed physical review and count of the items received is done.

The inventory management system is used to track the receipt of all purchases.

The cargo is inspected, and a comparison of the quantities received to the original purchase order utilising the receiving/shipping documentation. Any quantity and quality discrepancies are to be documented on the receiving copy of the purchase order.

The shipping documentation is attached to the purchase order and forwarded to the Sub Regional Focal Point Accounting Department for approval.

Items damaged by the shipping process are handled according the written claims procedures.

Items damaged by contamination, decay or spoilage shall be quarantined and returned.

Items identified as having design or specification flaws shall be tagged as FLAWED and returned or rejected per written procedures.

- i. All discrepancies and damage are communicated to the Sub-Regional Focal Point NDO Accounting Staff and the CDEMA CU.*
- ii. A list of approved items is submitted to CDEMA through the Sub-Regional Focal Point Accounting Department for payment.*
- iii. All inventory is entered into the inventory management system*
- iv. There is built-in automatic reorder point for replenishment of stock in the inventory management system*
- v. All inventory received is stored in the warehouse*

The Sub-Regional Focal Point NDO Accounting Staff in conjunction with CDEMA CU will be responsible for:

- i. Communicating with the vendor regarding discrepancies and damage.*
- ii. Following up on back orders and partial shipments to assure receipt of proper quantities.*

Copies of all documentation associated with this process should be maintained by both the Sub-Regional Focal Point and the CDEMA CU.

Donations

The CDEMA through the Sub Regional Focal Point will accept donations of assets to be stored at the warehouse location.

The CDEMA and the Sub-Region will determine what donations of assets they will accept.

The CDEMA CU and Sub-Regional Focal Point will ensure that the necessary paperwork related to the donations is in place. Information should include the Donor, Asset Value, Type and Number of Assets, Age of assets.

All donations of assets once accepted will be subject to the same policies and procedures as those assets which have been purchased through the CDEMA and Sub-Region Focal Point Mechanism.

Replacement of Assets Which Have Been Disposed

The CDEMA CU in conjunction with the NDO will determine if the asset needs to be replaced. Any replacement will be facilitated based on the established guidelines and procedures for replacement of stock. The CDEMA CU will provide the necessary financing for the replacement of stock unless it has been determined otherwise.

11. EXTRAORDINARY USE OF ASSETS FROM THE SUB-REGIONAL WAREHOUSE Scenario 1

*In the event where a Participating State in the sub-Region requires additional assets to augment their national system they may request from the Sub-Regional Focal Point through CDEMA the use of sub regional warehouse assets. The CDEMA CU is informed of the need and **requests specific items on behalf of the country.***

In some extenuating circumstances the country may request items from the Sub Regional Focal Point directly and request may be facilitated and CDEMA CU and the other countries within that sub-region are informed immediately of such an occurrence. A state of emergency/disaster area may or may not be declared.

Scenario 2

*In the event where the country that is designated the Sub-Regional Focal Point requires additional assets to augment their national system they may request from CDEMA the use of the regional warehouse assets. The CDEMA CU and the other countries in that particular sub-region are informed of the scope of impact and **the specific items being requested.***

In some extenuating circumstances the Sub Regional Focal Point may utilise items from the Sub Regional warehouse and then inform CDEMA CU and the other countries within the sub-region immediately of such an occurrence.

12. REPLENISHMENT OF ASSETS OF THE SUB-REGIONAL WAREHOUSE IN CASES OF EXTRAORDINARY USE

In circumstances where there is extraordinary use of regional warehouse assets by any Participating State it is expected that:

- a) Such assets will be replenished by the country which has utilised the assets no later than six (6) months from the date of use. In the event that this is during the Hurricane Season all efforts should be made to replenish stock in a speedier timeframe. The replenishment stock must be of comparable quality and quantity of the assets used in the emergency operation. Replenishment costs will be the responsibility of country which utilised the equipment. This replenishment costs will reflect all associated costs (shipping, handling, duties and transportation) attached to the replenishment process.*
- b) Any unused stock, once they have not reached their expiry date and are in good condition, can be returned immediately or within one month of the emergency operations at the affected country's expense.*
- c) Any items which have been used during the emergency operation and the affected country wishes to return the items at their expense to the sub-regional stock must be appropriately sanitised and in good condition before their return.*

Once items of the replenishment stock are received at the sub regional warehouse, a CDEMA CU Representative along with the sub-regional focal point representative must be on hand to inspect and audit the stock and all associated paperwork.

Once this process has been completed and all is in order the sending country will receive a confirmation report. If for any reason there is an issue or discrepancy the CDEMA CU will work with the sending country to have it resolve after which a confirmation report will be issued to the sending country and the sub-regional focal point.

13. TERMINATION OF ASSET USE FROM THE REGIONAL WAREHOUSE

As it relates to the termination of assistance Article XXVI Termination Of Assistance Paragraph 1 states that “The Executive Director shall, subject to paragraph 2, after consultation with the requesting State, determine the period of response to a disaster.

Further paragraph 2 states that “The requesting or sending State may, at any time, after appropriate consultation and by notification in writing terminate the receipt or provision of assistance received or provided under this Agreement.

14. DISPOSAL OF ASSETS FROM THE SUB-REGIONAL WAREHOUSE

From time to time there will be a requirement to dispose of assets from the regional stock. The use of an appropriate and well used inventory management system combined with regular stock audits can assist with the identification of assets for disposal. Once assets have been identified for possible disposal:

Steps 1-6 below outline the disposal procedure

- i. The sub-regional focal point warehouse manager must indicate to the NDO the name, description and the number of the assets, the nominal cost and insurance costs as well as the reason for disposal of the said assets.*
- ii. The Sub-Regional Focal Point NDO will inform the CDEMA CU in writing of the need to dispose of the assets accompanied by the necessary asset documentation itemizing name, description, asset life, asset cost and insurance value, as well as reason for disposal of the asset.*
- iii. The CDEMA CU will either make preparations to dispose of the assets or request that the NDO facilitate this process. It should be noted that the CDEMA CU can request at anytime to see the asset before actual disposal or be present at the actual disposal.*
- iv. The CDEMA CU will indicate the actual date of disposal to the Sub-Regional Focal Point NDO or vice versa.*
- v. The CDEMA CU will be responsible for all payments throughout the entire disposal process. This may include transportation, payment for services rendered. Situations may arise where the Sub-Regional Focal Point may have to facilitate payment, however they will be reimbursed within 3 weeks of submitting the necessary paperwork to CDEMA CU.*

- vi. *The Sub-Regional Focal Point will update the inventory management system as appropriate. The records and or asset register should still reflect the asset but indicate that it has been disposed.*

Exceptional Circumstances

- *In some circumstances, assets may be donated to persons/entities such as service groups, volunteers who work with the national offices once it has been determined that they cannot be utilized for the purposes of the regional stock. The abovementioned disposal procedure will apply with the exception of Step 5 where it may be determined that the recipients of the assets will be responsible for the removal and any associated costs.*
- *At no time will assets which have passed their expiry date be donated to any person or entity. Such items (for example medical supplies, beverages, food) will be disposed of in an appropriate manner utilizing the abovementioned Steps 1 through 6.*
- *In some circumstances, assets may be utilized and damaged while in the possession of the requesting country. The requesting country NDO will be responsible for the disposal and subsequent replacement of the assets if so determined.*

Steps 1-8 below outline the disposal procedure for damaged assets.

- i. *The Requesting NDO will indicate to the Sub-Regional Focal Point NDO and the CDEMA CU the name, description, the number and where possible a photo of the asset(s) as well as the reason for disposal of the said assets.*
- ii. *The Sub-Regional Focal Point NDO will provide the nominal cost and insurance costs to the requesting NDO within (3) days of the request for information.*
- iii. *The Requesting NDO will inform the CDEMA CU in writing of the need to dispose of the assets accompanied by the necessary asset documentation itemizing name, description, asset life, asset cost and insurance value, as well as reason for disposal of the assets within (3)days of receiving the necessary costing information from the Sub-Regional Focal Point NDO.*

- iv. *The CDEMA CU will either make preparations to dispose of the assets or request that the NDO facilitate this process. It should be noted that the CDEMA CU can request at anytime to see the asset before actual disposal or be present at the actual disposal.*

- v. *The CDEMA CU will indicate the actual date of disposal to the Requesting NDO or vice versa.*

- vi. *The Requesting NDO will be responsible for all payments throughout the entire disposal process. This may include transportation, payment for services rendered.*

- vii. *The Requesting NDO will be responsible for submitting the necessary paperwork to the Sub-Regional Focal Point and the CDEMA CU indicating that the asset(s) have been disposed within (3) days of the actual disposal date.*

- viii. *The Sub-Regional Focal Point will update the inventory management system as appropriate within (3) days of receipt of information that the asset has been disposed. The records and or asset register should still reflect the asset but indicate that it has been disposed.*

Disposal of hazardous materials will be executed in accordance with the National Protocols in which the Sub-Regional Warehouse is resident.

Replacement of Assets Which Have Been Disposed

The CDEMA CU in conjunction with the NDO will determine if the asset needs to be replaced. Any replacement will be facilitated based on the established guidelines and procedures for replacement of stock. The CDEMA CU will provide the necessary financing for the replacement of stock unless it has been determined otherwise.

SECTION 15 APPENDICES

APPENDIX 1

List of Minimum Requirements for National Warehouse

		MIN	MED	MAX
1.	Battery Charger			
2.	Blankets (regular and fire)			
3.	Buckets			
4.	Caution tapes			
5.	Chainsaw			
6.	Cots (folding)			
7.	Crow Bar			
8.	Dust Mask			
9.	First Aid Kits			
10.	Flashlights and Batteries			
11.	Generator (portable)			
12.	Hurricane Lamps			
13.	Emergency Lightening System			

14.	Plastic Sheeting			
15.	<i>Rain Coat</i>			
16.	<i>Rope</i>			
17.	<i>Rope Protector</i>			
18.	<i>Scale</i>			
19.	<i>Mattress****alternatively Sleeping bags</i>			
20.	<i>Shovel</i>			
21.	<i>Spade</i>			
22.	Stretchers			
23.	Tarpaulin			
24.	Tents			
25.	Utility Kits (Comfort)			
26.	Water Bottles			
27.	Water Pump			
28.	Water Tanks (200-1000) gal's			
29.	Boat (evacuation)			

30.	Coverall with (reflector tape)			
31.	Body Bags			
32.	Handheld Radios (VHF)			
33.	Ready-to-eat-meals			
34.	Personal Care Kits (toothpaste, toothbrush, wipes, tissue packs, sanitary napkins, soap bar, lotion, whistle, pair of plastic gloves, shampoo)			
35.	flotation device			
36.	working gloves			
37.	portable toilets			
38.	hard hats			
39.	reflective vest			

APPENDIX 2

Minimum Inventory to be held at Regional Warehouse

	DESCRIPTION	PROPOSED QUANTITY
	Tarpaulin 12' x 16 Poly Nylon	
	Tarpaulin 20' x 20' Poly Nylon	
	Tarpaulin 30' x 40' Poly Nylon Heavy Duty	
	Tarpaulin 40' x 40' Poly Nylon Heavy Duty	
	Disaster Blankets Wool/Polyester/Acrylic	
	Children Blankets	
	Sleeping Cots	
	Bed Sheets - Coloured	
	Water Boots Knee High various sizes	
	Rain Coat various Sizes. Medium, large, X large	
	Leather Work Gloves Double Palm	
	Hygiene Kits (Family)	1% of population
	Disposable Paper Cups	1% of population
	Disposable Paper Plates	1% of population
	Disposable Eating Forks	1% of population
	Disposable Dinner Plates	1% of population
	Disposable spoon	1% of population
	Drinking Cups – Plastic 12 oz	1% of population
	Flashlights 2 – cell Size D Battery	1% of population
	Floating Lanterns 4 D Battery	1% of population
	First aid Kits 50 man	1% of population
	Water Container – Collapsible not recommended. 5 gals bottles	1% of population
	Water Container – Collapsible 2.5 gals	1% of population
	Garbage Bins	1% of population
	Garbage bags with ties	
	Water Bladder 1000 gals (water tanks 500 and 1000 Gals)	1% of population

	Water Tanks 1200 gals	1% of population
	Back Support Belt	
	Packaging Materials	
	Tote Box – Heavy Duty	
	Floodlights 1000 Watts	
	Generators Portable 5500 Watts	?
	Water Pumps – Trash Type complete with accessories	
	Power Saws	
	Tents – General Purpose (Medium)	smaller
	Tents – General Purpose (Large)	smaller
	Rescue Boots 8 man	
	Life Jackets - Adults	?
	Life Jacket - Children	?
	Nylon Ropes	
	Mattresses – Double Size Standard	
	Pallets	
	Portable Toilets	
	Pallet Jack	
	Warehouse Scale	
	Hand Trucks	
	Flat Bed Trucks	
	Safety Vests	
	Shelter Managers Kits	For 50%
	Shelter Kit	
	SAR Kits	
	Drop Kit - Personal Operational Kit	1% of population

APPENDIX 3

CDEMA CU Proposed Schedule of Inspection

- 1. May and December of every year**
- 2. It should be proposed that the warehouse inspection completed prior to the Technical Advisory Committee meeting would be conducted in December.**

APPENDIX 4

Indicating all 18 CDEMA Participating States Customs and Cargo Requirements