

## NEPAL EARTHQUAKE SPECIAL REPORT

Mike King is helping a charity in Nepal with the aim of raising USD\$50,000. This will be enough to feed and provide shelter through the monsoon season for almost 600 families in Sindhupalchowk who have been left homeless. If you would like to know more about the charity and how an extraordinary 19-year old survived the earthquake and is now trying his best to keep the villagers of Sindhupalchowk alive, please click here <http://www.gofundme.com/u87q42aw>



Mike King, Ti's Head of Operations in Asia, spent a week observing humanitarian logistics operations in Nepal. In Part 1 of his analysis he explained the aid operation was being conducted at Tribhuvan Kathmandu International Airport (KTM) where he, uniquely, had full airside access. There he believes that operational, equipment and political shortcomings decreased efficiency and drove up costs in the critical early weeks of the humanitarian logistics response.

Last week he examined the formidable road logistics challenges facing this landlocked Himalayan country of some 28 million people.

Now he looks at what logistics and humanitarian logistics lessons can be learned from this catastrophe and what further dangers lay in store.

## **The position now**

### **Bottlenecks**

- Documentation – it is still too difficult to obtain permits to operate trucks from India into Nepal. Some 3PLs and NGOs put the permitting-transport process at 15 days from New Delhi to Kathmandu. The UN believes that, on average, its trucking operations take about 7 days as it now has a 'known' shipper system in place to speed paperwork. The actual driving time is much less but delays at borders build in costs and time.
- Outbound Trucking – more information has been required in the last two weeks from customs not only regarding what cargo is being carried, but also outbound in terms of where it will be distributed within Nepal. This information is not always immediately available to NGOs which are trying to remain light on their feet in this fast-changing environment. Top-down central management via customs/government is not of much benefit to the overall inbound or outbound aid efforts.
- Trucking supply and demand – it has taken quite some time for NGOs and other aid agencies to make the most of India's huge market for the sourcing of aid, trucking and drivers. This process is ongoing but time is running out. India has a fully functioning truck and driver rental market and these assets need to be moving cargo, especially shelter, into Nepal ahead of the monsoons.
- Getting cash into the country for aid – Nepal is only allowing aid workers to arrive with \$5,000 per person and is now conducting special reviews of incoming transfers at banks. Money wired in is subject to service charges except by Western Union, although WU is also very much hit and miss – money can only be transferred in from certain jurisdictions for example. This is creating a supply-demand imbalance between aid money raised and the ability to get it to Nepal where it can pay for the equipment and logistics services needed in rural areas. The policy is also reducing liquidity in the Nepali economy and preventing existing aid organisations and businesses from providing relief and getting people back to work, respectively.
- Outbound logistics – the UN has not identified many of the people still at risk in mid-hills and more isolated areas. It has only a handful of choppers to manage this process by air and, at higher altitudes, they cannot take much cargo. Trails need repairing urgently to enable people to come down. Landslides are common and this has taken its toll but rebuilding trails and reaching those in need by 4x4, porter and donkey is time consuming. The UN would like to revitalise the local economy by hiring thousands of porters to rebuild paths and deliver aid but it does not have the funds to do so. It also has little or no access to most military assets.
- Unsolicited baggage- As the product of good intentions, companies and individuals have sent hundreds of tons by plane to Nepal. Unfortunately, much of it is being destroyed because the capacity to sort and distribute it is not in place. All handlers on the ground say this is a common issue in terms of humanitarian aid logistics efforts – both in Nepal and at

previous disasters. Cash is king while unsolicited aid often finds its way to the rubbish heap or the black market. Your own correspondent found an uncollected baggage of medicine about to be disposed of and took it to a village. Most similar freight ended up rotting in the sun, burnt or lining the pockets of the unscrupulous.

- Landslides – the second series of huge quakes on 12 May might not have killed that many people, but they further damaged buildings and roads. The earth is now even more unstable and landslides continue to close roads, including the one into Tibet last week, and also block rivers. Concerns are rising about what the implications are of lots of rain being deposited on this unstable land. Mudslides are feared.

### **Time-line**

Put simply, Nepal is in a race against time to supply the hundreds of thousands of people with inadequate shelter and food before the monsoon season arrives next month. Many people will die unless the humanitarian logistics effort is a success.

The numbers speak for themselves - 2.8 million people are displaced and almost half a million buildings have been damaged including over 2000 schools and health amenities. In many regions the State has all but ceased to function and people have no shelter at all. Many people also have mild injuries and the lack of sanitation is a clear and present risk during the monsoon season given that cholera and typhoid are endemic to Nepal.

Already the rains are falling and the aid effort is behind schedule and under-funded. The UN admits that up to 300,000 will effectively be on their own once the rains close in and they have to reduce the scale of their operations. Many thousands risk being left with no means of reaching safety – either because there are no trails or they lack the physical capacity.

Further earthquakes and mudslides remain a huge threat both to injured or vulnerable Nepalese and the people trying to help them.

This is a supply chain response to a looming disaster and at present that supply chain is not operating as effectively as it could, either inbound or outbound. Once the monsoon season hits full swing next month, it will not be able to.

### **Conclusions**

- Preparation – In theory, Nepal had a fully functioning disaster plan ready to go in the event of a major earthquake. In practice, it was clear that those in charge were unable to implement it. Delays, inconsistencies, pointless paperwork and national security prioritisation have dogged the aid effort throughout.
- Much of the above was particularly apparent at Nepal's only international airport. Cargo built up quickly and, although a staging area was in place to allow its removal, there were also a lack of transparency over securing landing permits, cargo clearance and Aircraft

Operating Certificates. And there was a lack of basic equipment such as forklift trucks and dollies.

- Paperwork/bureaucracy – As in any emerging country, there is a lot of paperwork involved in achieving most tasks in Nepal. But Nepal’s leaders have received much aid and advice designed to ensure it had planned for exactly this type of – expected and forecast – earthquake disaster. That the country’s customs and other agencies that have been responsible for facilitating aid movements into the country by air and road have taken so long to set up systems that speed these processes despite the obvious time constraints is shocking and could, in the final analysis, cost many lives. Those countries with a high likelihood of natural disaster and poor infrastructure could benefit from examining the bureaucratic supply chain mistakes made in Nepal.
- Funding and assets – in simple terms, the United Nations has had neither the funds nor the assets it has needed to build the effective logistics platform the World Food Programme is supposed to provide for all NGOs.
- Geopolitics – All sources admit that the combined military might of the U.S., India and China was sent with good intentions. But the jury is out on what they have actually achieved, apart from increase the pressure on Nepalese authorities. The non-admittance of the UK’s three Chinook choppers was viewed by most as a geopolitical triumph for China at the cost of a more efficient aid effort. This point was further enhanced by observations of the US Osprey fleet at KTM offering little in the way of uplift of freight. The three ‘great powers’ jostling in Nepal should be asked whether a humanitarian disaster is really the right place to knock heads. Military tractors might look mighty, but they are useless at handling small pallets and take up space. Fighting over landing permits at the cost of relief freighters is also wasteful. More geopolitical head-bashing in the Indian Ocean, the Himalayas and the South China Sea is likely between the three heavyweights in the months and years ahead. At what cost?
- Logistics Service Providers – many provided funds but, with the notable exception of DHL, the logistics industry was absent on the ground. As this was a logistics disaster as much as a humanitarian catastrophe, more expertise and equipment could have been very useful. CSR policies are all very well, but these must lead to actions. In the years ahead people will openly wonder why some of the world’s biggest specialist logistics companies offered so many distraught people so little assistance.

## **About the Author**

Mike King, Head of Operations & Senior Analyst: Asia, grew up as part of his family's international forwarding and trucking business before going on to become an award-winning shipping, air freight and supply chain journalist and analyst. He has spent much of the last decade building up his extensive knowledge of logistics markets in Asia while contributing to many leading publications.

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