Building on the Foundation...Benchmarks Progress

2007 has been a year of significant transition for Fritz Institute. Taking stock after seven years, we now see the data and feedback to benchmark and quantify the progress we have achieved in increasing the organizational capacity of first line responders, and thereby the most vulnerable during catastrophic disasters around the world.

We envision a world where every community has the ability to respond to major disasters, saving lives and reducing suffering in the process. Toward that end, we partner with governments, nonprofit organizations and corporations to innovate solutions and facilitate the sector’s ability to serve the most vulnerable during catastrophic disasters around the world.

The effectiveness of our process is a direct result of leveraging the connected strengths of these sectors, building portfolios. We continue to work with the anonymous, back room logistics operations, front line responders, and thereby helping the most vulnerable during catastrophic disasters around the world.

The effectiveness of our process is a direct result of the third-party perspective we bring to the field, incorporating standards and best practices into all our programs. We identify gaps and incalculable solutions through collaboration with the best minds, and thereby the adoption of best practices for rapid and effective disaster response and recovery. The impact we are making is best described in a letter sent to us by Tabinda Syed, UNICEF Pakistan Logistics Officer in 2006 in the midst of a massive supply chain response to a 22 country initiative, envisioned and incubated to expand its reach and impact. NEPARC has grown from a committee of logisticians from eight leading corporations to a 22 country initiative, envisioned and incubated. Fritz Institute is designed for use in the field, and is piloted in their logistics center in Croatia.

Our Humanitarian Certification Program (CHSCM), designed for mid-level managers working in tactical and strategic functions, is now being developed in collaboration with an advisory committee of logisticians from eight leading humanitarian organizations, including the World Food Program and UNICEF and includes CHL in their training.

Our level two certification program, Certification in Humanitarian Supply Chain Management (CHSCM), designed for mid-level managers working in tactical and strategic functions, is now being developed in collaboration with an advisory committee of logisticians from eight leading humanitarian organizations.

Our African Capacity Networks Program continues to expand and impact. NEPARC has grown to a 22 country initiative, envisioned and incubated in collaboration with Fritz Institute and including third-party perspective, rigorous measurement, and quantifiable results.

Our Humanitarian Logistics Software (HLS), first humanitarian supply chain software designed to complement the unique requirements of front line relief organizations, continues to play a critical role in the Red Cross and Red Crescent Societies’ (IFRC) operations, demonstrably improving supply chain logistics during the largest and most complex relief efforts. While HLS is focused on the needs of headquarters personnel, HELIOS, released in 2007, is designed for use in the field, and is currently being used in Sudan and Indonesia by...
BayPrep Initiative

The Bay Area Preparedness Initiative (BayPrep) was launched in January 2007, based on the findings and recommendations of the November 2006 Lynmar Conference on Regional Preparedness. The goal of BayPrep is to make the San Francisco Bay Area the most disaster-prepared community in the country, and to provide evidence of this preparedness. BayPrep strengthens non-government organizations that provide critical services to the region’s most vulnerable populations by understanding the capacities and gaps in this sector, building capacity through training, and creating standards and metrics for disaster preparedness. The Bay Area the most disaster-prepared community across the US.

ASSESSMENT OF THE CIVIC INFRASTRUCTURE:

In response to hurricane Katrina and the Loma Prieta earthquake, community-based organizations provided critical services to the most vulnerable - the old, the young, the infirm, non-English speakers, new immigrants and the homeless, and the post-911. These organizations are critical to disaster response and relief, yet little is known about their capacity to achieving higher levels of preparedness. Initial findings are expected in April 2008 and a final report will be completed in summer 2008. A survey of a second Bay Area community will be initiated in late 2008 or early 2009.

STANDARDS AND EDUCATION:

Fritz Institute has partnered with leading San Francisco service providers and government agencies including the American Red Cross Bay Area, United Way of the Bay Area, SFJARID (Collaborating Agencies Responding to Disaster), and the San Francisco Department of Emergency Management, to develop a Disaster Resilient Organizations (“DRO”) pilot program. Twelve nonprofit organizations volunteered to participate in the program to develop and test standards for preparedness. The program includes facilitated presentations of a disaster scenario by Fritz staff, discussions of organizational response, and guidance in drafting a disaster mission statement. The curriculum is a first step in developing a methodology for reaching internal consensus on these critical organizational capabilities that would define preparedness. Because the capacity of physical facilities to function after a disaster is also a major factor, Fritz Institute contracted with a structural engineer to conduct assessments of each organization’s facilities and adjacent structures, with the expectation that ‘facility capacity’ would become a core factor in determining organizational response and recovery plans. Organizations that participated in the DRO pilot project will be recognized for their commitment and progress toward disaster resilience in June 2008.

COMMUNITIES OF PRACTICE AND THE COMMUNITY OF PREPAREDNESS:

Public, private, nonprofit, and academic and business Communities of Practice to partner to mitigate each community’s vulnerability. Yet many of these organizations work in silos, heading to ineffective disaster plans, gaps in preparedness, poor planning, inefficient resource management, and limited cross-sector collaboration. To address this shortfall, Fritz Institute convened several Communities of Practice (CoP) to facilitate constituency building, coordinate the activities of the numerous informal networks across one community region of the Bay Area, and promote program delivery. The NGO CoP met bimonthly throughout 2007, bringing together more than 50 organizations. The Government CoP engaged through collaboration between BayPrep and the Governor’s Office of California’s Volunteers and collaboration, including the 2006 Lynmar Conference on Regional Preparedness, 2007 Conference on Building a Community of Preparedness: Collaboration and Metrics; a forum on mapping the vulnerability of fragile communities of practice to disaster and disaster-related threats. To fill this gap, Fritz Institute engaged the University of Colorado Natural Hazards Center to survey San Francisco-based organizations, collecting data on the most critical organizational needs and gaps in preparedness. These interviews obtained information on the distinctive disaster-related needs of populations served, organizational capacity for disaster response, and perceptions on barriers to disaster resilience. The findings are expected in April 2008 and a final report will be completed in summer 2008. A survey of a second Bay Area community will be initiated in late 2008 or early 2009.

BayPrep's next steps include an analysis of the findings from the Assessment of Civic Infrastructure to determine gaps in capabilities of the NGO community and opportunities for government and corporate engagement; assessment and evaluation of the DRO training program; development of specific standards and metrics for disaster resilient organizations, and development of a model for sustaining preparedness. The BayPrep program is underwritten by grants from The John D. and Catherine T. MacArthur Foundation, The William and Flora Hewlett Foundation, the Walter and Elise Haas Fund, The San Francisco Foundation, and Pacific Gas and Electric Company.

We know from past crises that St. Anthony Foundation is one of the first places that people in the community come to when emergencies arise. Fritz helped us strengthen our disaster preparedness plan so that we will be better able to meet the needs of the community when future crises happen.
African Capacity Networks

Africans continue to be particularly vulnerable to natural disasters and humanitarian crises as a result of endemic poverty, subsistence-based livelihoods, and the devastating impact of global climate change. Approximately 316 million people in Sub-Saharan Africa live on less than $1 per day and escalating food prices are pushing 30 million more into poverty. The effects of climate change could render 75 to 250 million more Sub-Saharan Africans vulnerable by the year 2020.

The African Capacity Networks program seeks to improve the lives of vulnerable Africans by increasing the effectiveness, accountability and financial sustainability of local humanitarian service providers. The program promotes systemic change by enabling local service providers to take charge as responders to disasters in their own countries by first gaining the trust of their stakeholders through better transparency, sustainability and effectiveness metrics. The New Partnership for African Red Cross and Red Crescent Societies (NEPARC), a consortium of African National Societies, was created with the support of Fritz Institute in 2004. The members of NEPARC are committed to transforming the Red Cross Red Crescent Movement.

NEPARC recruited Chief Executive Khobz Ghenna to establish a Secretariat and lead the consortium in February 2007. Fritz Institute financed the NEPARC Secretariat’s operational costs in 2007, including the Chief Executive’s salary and expenses. The NEPARC Secretariat joined NEPARC under Mr. Ghenna’s leadership, raising the number of Francophone member societies to seven.

Fritz Institute provided financial support for NEPARC’s Board Meetings in Addis Ababa, Ethiopia and Kampala, Uganda as well as the General Assembly in Abidjan, Ivory Coast. Representatives from all NEPARC member Societies attended the 2007 NEPARC General Assembly Meeting. Several organizations shared recommendations from their experiences with the NEPARC Secretariat. Fritz Institute also partnered with KPMG Kenya to pilot the financial sustainability assessment in Uganda, resulting in the first Level 1 certification.

Between 2004 and 2006, Fritz Institute assisted 17 NEPARC member societies in the Level 1 audit; of these, seven achieved Level 1 certification. In 2007, Fritz Institute observed the Lesotho Red Cross Society in its first Level 1 audit. Ethiopian Red Cross Society undertook a Level 1 re-audit in 2007, and earned the highest score (92%) to date for any African National Society. Fritz Institute also partnered with KPMG Kenya to pilot the financial sustainability assessment in Uganda, resulting in the first Level 2 certification of a NEPARC member society.

By 2008, Fritz Institute officially awarded Level 1 certification to Somalia Red Crescent Society and Level 2 certification to Uganda Red Cross Society. Fritz Institute also presented certificates to NEPARC member societies from Lesotho, Ghana, and Burundi for their participation in the Level 1 audits. In solidarity as a NEPARC partner, Spanish Red Cross Society received a plaque for achieving Level 1 certification at the Joint Partner Meeting following the assembly. The African Capacity Networks program is underway at the Helen Foundation.

The NEPARC Secretariat is headquartered in Abidjan, Ivory Coast. NEPARC has achieved miracles in a very short time.

**Kebour Ghenna, NEPARC Chief Executive**

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**Fritz Institute**

**Annual Report 2007**

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**“NEPARC has a revolutionary concept that is transforming the Red Cross Red Crescent Movement.”**

**Mike Young, Deputy Secretary General, International Federation of the Red Cross and Red Crescent Societies**

**“NEPARC has achieved miracles in a very short time.”**

**Abraham Ossian, Deputy Secretary General, IFRC**
Since the first conference, several key initiatives come together and focus on improving logistics. All sectors of the humanitarian ‘ecosystem’ to unique in its ability to attract participants from practical solutions to those challenges. HLC is challenges faced in humanitarian logistics as well largest aid organizations gather to discuss common Switzerland, where representatives from the world’s Humanitarian Logistics Conference in Geneva, Since 2003, Fritz Institute has convened an annual humanitarian loGiStiCS ConferenCe (HLA): certification program and HELIOS software. Fritz Institute’s Supply Chain Portfolio provides expertise through our conferences, association, organizations and logisticians throughout the recognition, resources and tools to humanitarian organizations. The program is meant to provide a career progression for humanitarian logisticians, and ensures impact effectiveness at different levels within these organizations. The Certification in Humanitarian Logistics over time, Fritz Institute will track the impact of certification on individuals’ and organizations’ logistics effectiveness. HELIOS is developed with extensive input from humanitarian logistics professionals, HELIOS provides complete transparency across the humanitarian supply chain, from mobilization to the warehouse. HELIOS automates logistics processes at both the headquarters and field levels, providing tactical visibility from each of these perspectives. HELIOS is designed to function humanist logisticians working at an operational level. In 2007, Fritz Institute will work with its advisory committee and partners to broaden the reach of the program. The Certification in Humanitarian Supply Chain Management (CHSCM), to be launched in May 2008, emphasizes more strategic elements of supply chain management and is aimed at senior logisticians and logistics managers working at tactical or strategic levels of humanitarian organizations. Both courses were developed in collaboration with an Advisory Committee of logisticians from eight leading humanitarian organizations. The Certification Program development and implementation is funded by Fritz Institute, DFID, ECHO, and USAID. Fritz Institute developed a training and certification program specifically geared for humanitarian logisticians. There are two levels of qualifications aimed at different audiences within humanitarian organizations. The program is meant to provide a career progression for humanitarian logisticians, and ensures impact effectiveness at different levels within these organizations. The Certification in Humanitarian Logistics course (CHL), officially launched in September 2006, teaches the base principles of logistics and supply chain operations in the humanitarian context to increase the proficiency and expertise of humanitarian logisticians working at an operational level. The Certification in Humanitarian Logistics Association (HLA) is a professional organization committed to increase the proficiency and expertise of humanitarian logisticians working at an operational level. In 2007, enrollment exceeded our expectations – nearly 500 candidates had registered for the program, 53% of whom are working in Africa. During 2008 Fritz Institute will work with its advisory committee and partners to broaden the reach of the program. HELIOS is designed to function under the most demanding disaster situations, and is equally capable of automating the routine, day-to-day supply chain activities that allow humanitarian organizations to mobilize instantly when emergencies arise. The benefits of using HELIOS include: significantly faster delivery of aid; improved disaster preparedness; reduced costs; enhanced accountability; improved decision making; and collaboration, coordination and resource sharing within the international humanitarian community. In addition to providing HELIOS to humanitarian organizations to meet their internal needs, our vision is to build a community of users united around a common goal - optimizing the global humanitarian supply chain. The HELIOS User Group (HUG) is comprised of organizations working together to develop and promote HELIOS as the common platform for the sector. Oxfam is currently testing HELIOS in Sudan and Indonesia, World Vision International deployed in Somalia and is expanding to Zambia, and UNICEF will begin the pilot in their logistics center in Croatia.

Supply Chain Portfolio

The course not only gives us the confidence to do our jobs well and to excel in our careers, but also helped to enhance the importance of this profession. I am glad to apply the acquired knowledge in the field.”

TAMINDA SYED, UNICEF
2007 Financial Overview

For the year ended November 30, 2007

**Revenue / Support and Program Fees**

- Program Services and Fees: 42%
- Investment Income (Other Income): 2%
- Non-Government Organizations: 9%
- Government: 14%
- Individuals: 11%
- In Kind Donations: 20%
- Corporations: 4%
- Foundations: 42%
- Management and General Administration: 12%
- Fundraising: 6%
- External Relations: 3%
- Corporations for Humanity: 1%
- Humanitarian Impact: 2%
- Project Incubation: 1%
- Public Education: 2%
- Africa Capacity Networks Initiative: 10%
- Bay Area Preparedness Initiative: 17%
- Logistics and Supply Chain: 35%

**Total Revenues**: $3,976,724

**Expenditures by Program**

- Total Expenditures: $3,276,310
- Management and General Administration: 12%
- Humanitarian Technology Solutions: 11%
- Project Incubation: 1%
- Public Education: 2%
- Africa Capacity Networks Initiative: 10%
- Logistics and Supply Chain: 35%
- Management and General Administration: 12%
- Fundraising: 6%
- External Relations: 3%
- Corporations for Humanity: 1%
- Humanitarian Impact: 2%
- Project Incubation: 1%
- Public Education: 2%
- Africa Capacity Networks Initiative: 10%
- Bay Area Preparedness Initiative: 17%
- Logistics and Supply Chain: 35%

**Expenditures By Program**

- Program: 65%
- Non-Program: 35%

FRITZ INSTITUTE STAFF

AS OF MAY 2008

- **Bob Sproul**: Chief Executive Officer
- **Karen Anduja**: Office Administrator
- **Jocelyn M. Berger**: Development/Marketing Associate
- **Jeri Erskell**: Project Manager
- **Richard K. Eisner**: FAIA, Government Liaison, BayPrep
- **June Qin**: FAIA, Government Liaison, BayPrep
- **Paul Jacks**: Program Director, BayPrep
- **Laure Johnson**: Corporations Liaison, BayPrep
- **Jane Macdonald**: Project Manager
- **Kathleen A. Meyer**: Executive Director, Humanitarian Impact
- **Mitsukio (Mich) Mizushima**: Chair Logistics Officer
- **Estela Nichols**: General Manager, Humanitarian Logistics Association
- **Kristen Reed**: Ph.D., Program Officer, African Capacity Networks
- **Dale A. Rose**: Ph.D., Preparedness Analyst, BayPrep
- **Craig Smith-Grant**: Chief Financial Officer
- **Fraser Stephens**: Hayes Project Manager
- **Jim Turner**: Conference Director & BayPrep Project Manager

**Board of Directors**

- **Lynn C. Fritz**, Chairman
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- **Philip A. Marineau**
- **Bernard Osher**
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- **Lynn C. Fritz and Anisa Thomas Fritz**
- **Stanley S. Langendorf Foundation**
- **Bernard and Barbara Osher Foundation**
- **Wells Fargo Foundation**
- **William K. Jones, Jr. Foundation**