

Open Learning Forum

[How Increasing Trust, Efficiency, and Transparency Can Save Lives](#)

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Executive Summary written by GBBC

Introduction

With the cost of damages from natural disasters increasing, it is clear new tools are necessary to streamline and improve government recovery efforts. Blockchain can improve recovery and reduce costs by allowing the Federal Emergency Management Agency (FEMA) to better track supplies, identify available resources (beds; supplies; medical care; etc.), and significantly reduce fraud in the donation system.

FEMA

Perhaps the most promising disaster recovery use case for blockchain technology is in the awarding of contracts. Smart contracts, powered by blockchain, enable automatic execution and enforcement of a contract once parties agree to the rules stipulated within. The need for a competitive, secure contracting system was made clear in 2017, when FEMA awarded a \$156 million contract to a company with a single employee who had no experience in disaster relief. While this may be the most egregious example, historically there have been numerous questionable contracts awarded to companies with little disaster relief experience.

Blockchain-powered smart contracts would enable FEMA to process bids based on several factors, including whether the company has previously engaged in disaster relief work or has received a government contract that was later cancelled. With the use of a blockchain, this process would take seconds.

Beyond smart contracts, blockchain technology has vast potential in FEMA's supply chain; it could be used to ensure necessary supplies are delivered in a timely and organized manner.

Next Steps

FEMA should examine other blockchain pilot projects and then develop pilot projects of its own. Blockchain platforms have the capability to save time and resources, thereby improving relief efforts, reducing fraud, and saving lives.