Part IV: Business Engagement in Emergency Relief and Preparedness

Chapter 13

Profits and Principles: Business Engagement in Humanitarian Assistance

Kelly Johnson

The debate surrounding the use of business actors in aid and relief speaks to the very heart of the internal dilemma facing humanitarians as they try to define humanitarianism and how best to provide aid to those in need. From the perspective of a donor funding humanitarian initiatives, pertinent questions include: Is it acceptable for tax payer dollars earmarked for humanitarian assistance to be converted, directly or indirectly, into profit? Does business engagement violate the humanitarian principles and conventions donor countries have signed on to? And does the use of a for-profit entity improve the quality of aid?

Although commonly believed to be a relatively new player in the field, the private sector has been engaged in humanitarian assistance for decades, generally as a service provider in logistics, transport, communications, and information technologies (IT). Where a disaster struck a company's home community, the private sector has a long history of providing philanthropic support to recovery efforts. The largely unscrutinized role of business has received increasing attention since the large-scale involvement of corporations in the response to Hurricane Katrina and the Asian Tsunami.

Businesses can be involved in aid in a variety of ways, from charitable contributions to corporate social responsibility efforts to commercial activity. The borders between these drivers for engagement are not always clearly defined, as many actions categorized as charitable or corporate social responsibility can be linked to a corporation's image, brand-building, or a social license to operate.

Given the relatively recent recognition of businesses as providers of humanitarian assistance, the impact of business is not yet fully known. There are real reservations on the part of traditional humanitarian actors and some donors about involving for-profit actors in humanitarian assistance. These concerns are largely related to ensuring that the aid provided by businesses is in line with humanitarian principles. Regardless, the private sector is a small, but growing player in the humanitarian field, and donors on either side of the Atlantic are developing diverse policies on whether and how to engage private sector actors.

In the past, business engagement in humanitarian assistance primarily focused on response issues, but as donors and NGOs shift their focus to include disaster preparedness, businesses are also moving into these initiatives. Businesses are also engaging in a variety of ways, from corporate social responsibility schemes to engaging with the express interest of making a profit. This creates four distinct types of business engagement, yielding four sectors for analysis, each of which is covered in a case study:

- For-Profit/Commercial Engagement in Disaster Preparedness
- Non-Commercial/Corporate Social Responsibility Engagement in Disaster Preparedness
- For-Profit/Commercial Engagement in Disaster Response
- Non-Commercial/Corporate Social Responsibility Engagement in Disaster Response.

Taking a donor perspective, this summary chapter and the four accompanying case studies examine different types of business engagement to determine how donors should position themselves vis-à-vis working with businesses in humanitarian assistance, should they work with them, if so, where and how to mitigate the potential risks of such engagement.

The first section of this study is an overview of issues, theory and arguments for and against business engagement. The next section addresses donor perspectives on the issues. The third section examines where businesses currently engage and why, drawing on lessons from the case studies, while the final section provides conclusions, recommendations and suggestions for future research.

This study and the related cases are the result of desk research, input from the first and second transatlantic dialogues for humanitarian action, and the case studies. The case studies draw their conclusions and lessons learned from mini-cases examining particular business engagements in their respective areas. Key informant interviews filled information gaps. Financial and time limitations prevented field research. While business engagement occurs across the LRRD spectrum the focus of this study and the related case studies is on relief and preparedness, and looks primarily at businesses engaged in the direct provision of aid rather than the later phases of rehabilitation and development.

Comparing the European Commission with the U.S. is problematic because the former is a supranational/international organization and the latter is a national government. When examining business engagement it became even more difficult, as the focus on immediate relief requires that the study examine DG ECHO on the Commission side, which is unable to fund businesses to deliver aid, while in the U.S. humanitarian assistance can be provided via businesses.

Theory, History, and Practice

Donor-Facilitated Business Engagaement in Disaster Relief and Preparedness: The Historical Basis

Donor-facilitated business engagement in development is a well-established phenomenon. Many donor nations such as Canada, the U.S., Denmark, the United Kingdom, and Germany now work with businesses in development. For donors and recipient nations there can be real value added to the humanitarian assistance effort by tapping the core knowledge, potential cost savings, and financial or human resource support of businesses involved in aid. Nevertheless, while the role of business in alleviating poverty and helping the world reach the Millennium Development Goals is broadly recognized, development is very different from humanitarian assistance. While the former is necessarily political, the latter is not meant to be and there are concerns that the humanitarian imperative is not compatible with a business culture.[1]

The United States actively engages business in humanitarian assistance, while the European Commission's DG ECHO is unable to do so. However, some EU member states such as the UK do work with business in humanitarian assistance. Other European donors such as Norway have arranged for their companies to be the purveyor of choice for support services such as commodities, transport and logistics, and personnel.[2]

Businesses themselves have been involved in disaster relief since disasters first started hitting human settlements in areas where businesses were present. Typically businesses are compelled to assist in areas where they work or where their employees have strong ties. Businesses are, after all, staffed by people who, in the face of a disaster, are compelled by their common humanity to help those in need.[3] With the exception of the U.S., major international organizations and donors only began to notice the role business could play in humanitarian assistance in the last 15 years. Today, the role of business is becoming entrenched. As a result, the private sector has been included in international initiatives such as the Hyogo Framework and the Disaster Response Network to address disaster relief and preparedness.[4]

Why Businesses Engage and Where

Natural Disasters Versus Complex Emergencies

The majority of business engagements in humanitarian assistance occur in areas hit by natural disasters rather than in conflict zones. While some engagements cover both, such as TNT's engagement with the UN Joint Logistics Center in Sudan, businesses tend to stick with providing their assistance to "simple" disasters such as famines, floods, and earthquakes, and avoid violent conflict zones. There are two exceptions to this: Companies whose core work requires them to be in conflict zones, such as extractive industries, and private humanitarian businesses whose mandates include engagements in conflict zones or complex emergencies. In fact, USAID has five multi-year contracts for humanitarian firms in just these spots.[5]

---

1 GPPi, "Learning from the Field: Fostering Effective Transatlantic Action on Disaster Relief and Preparedness" (paper presented at the Transatlantic Dialogue on Humanitarian Action, Berlin, Germany, 2008), Johns Hopkins University Center for Transatlantic Relations, "Practitioners and Policymaking: Building Effective Transatlantic Action on Disaster Relief and Preparedness" (paper presented at the 2nd Transatlantic Dialogue on Humanitarian Action, Washington DC, 2008).

2 The case studies related to this topic provide further analysis on the aid mechanisms of select European donors, and their capacity to engage with the business world in this field.

3 Center for Transatlantic Relations, Johns Hopkins University, "Practitioners and Policymaking: Building Effective Transatlantic Action on Disaster Relief and Preparedness," 2nd Transatlantic Dialogue on Humanitarian Action, Washington DC, GPPi and CTR, 2008, as found at: http://www.disastergovernance.net/events/2nd_transatlantic_dialogue_on_humanitarian_action/, last accessed March 29th, 2009.

4 International efforts to guide business engagement in disaster response include the WEF-OCHA guiding principles, the Disaster Resource Network and the multitude of business portals created by implementing agencies to channel requests for partnerships and offers for donations., See WEF, "Disaster Resource Network," retrieved March 29th, 2009; and WEF and OCHA, *Guiding Principles for Public-Private Collaboration for Humanitarian Action* (As found at: http://www.un.org/partnerships/Docs/Principles%20for%20Public-Private%20Collaboration%20for%20Humanitarian%20Action.pdf, last accessed March 29th, 2009: 2007).

5 GPPi Interview, NGO informant, 2008.

There are three primary reasons why firms engaged in non-commercial support of humanitarian assistance tend not to take on conflict situations. The first is reputational risks and rewards. As the case study on non-commercial business engagement in disaster response discusses, firms engage in humanitarian assistance to boost their reputations, build a positive image of their brand, and to improve employee morale. In complex emergencies there are greater risks that the company image could be tarnished. Natural disasters are by their nature generally less political than complex emergencies, hence a company is less likely to have its name brand tainted by events on the ground.

Another issue preventing greater involvement in conflict zones is a practical one—insurance. It is very difficult for a company to get the necessary insurance for its employees and resources in a conflict zone.[6] Finally, businesses providing humanitarian assistance on a non-commercial basis generally only get involved in aid in their own backyard, literally or figuratively (core competencies, or physically close to where they operate) As a result, conflict zones are an unlikely area for business engagement since it is difficult for most businesses to operate in the face of major conflict.

An exception is industries whose core business requires them to be in fragile states and conflict zones, such as extractive industries that must work where the product is found. Here, the conflict zone is their community of operations, or 'backyard.' These industries are naturally interested in long-term stability in these states. However, it is currently unclear to what extent they are legitimately able to function as "partners.... in establishing peace and security."[7] Despite increasing pressure on these companies to engage seriously in security governance, the exact role businesses should play is not well defined. In essence, it is not the role of transnational corporations to provide peace and security—that is one of the basic responsibilities of the state. Yet, where state capacity is limited, international companies may be asked to assist in filling that void. Given the propensity of business engagement to potentially foment violent conflict in fragile states,[8] many industries and business organizations have begun developing their own guidelines and standards to minimize the potential damage and promote the positive contributions business can make.[9] More research, and honest dialogue with business is needed before this difficult issue can be fully addressed.

For-Profit Versus Corporate Social Responsibility

Private humanitarian firms are a small but growing presence in disaster preparedness and response efforts.[10] These are private companies that specialize in humanitarian assistance.

[6] GPPi Interview, NGO informant, 2008.

[7] Moira Feil et al., "Bad Guys, Good Guys or Something in Between? Corporate Governance Contributions in Zones of Violent Conflict," in *PRIF Report* (Frankfurt, Germany: Peace Research Institute Frankfurt, 2008). p. 1.

[8] Virginia Haufler, "International Diplomacy and the Privatization of Conflict Prevention," *International Studies Perspectives* 5 (2004), Jessica Banfield, Virgina Haufler, and Damian Lilly, "Transnational Corporations in Conflict-Prone Zones: Public Policy Responses and a Framework for Action," *Oxford Development Studies*, 33, no. 1 (2005).

[9] IPOA, *International Peace Operations Association Code of Conduct*, *Version 12* (http://www.ipoaworld.org/eng/codeofconductv12en.html, last accessed March 29th, 2009: 2009).

[10] Andrea Binder and Jan Martin Witte, *Business Engagement in Humanitarian Relief: Key Trends and Policy Implications*, ed. Overseas Development Institute Humanitarian Policy Group, Hpg Background Paper (London, United Kingdom: Overseas Development Institute, 2007).

Their specialization and organization allows them to be used as standby capacity for emergencies (they have the funds to run an operation before being paid by the government) and are usually staffed by experts with experience in the field. They typically also pay high salaries than the public/non profit sectors,[11] which enables them to attract highly qualified staff.

The motivations behind for-profit engagement are, on the surface, obvious—to make money. Dig deeper and the reasons are slightly more complex. On the response side, many of the humanitarian firms are created and staffed by former donor and NGO staff who are drawn by the higher salaries and emphasis on professionalism these firms offer. Many firms explicitly state that they believe their for-profit organization ensures innovative and high quality assistance.[12] While the firm itself may be profit motivated, the staff and founders are also motivated by a desire to do good, and have, for various reasons, come to the conclusion that a for-profit orientation is the preferred model for them to do so.

The same is likely true in for-profit preparedness efforts, such as insurance schemes. While the major motivation is clear (profit), working on schemes that have obvious benefits to seriously at risk communities must boost employee morale similar to corporate social responsibility engagements.

Non-commercial, or corporate social responsibility engagements, do not have a direct profit motive, but there has been an increasing recognition of their commercial benefits. Companies cite benefits to their brand, long term growth, and employee satisfaction as the key benefits of corporate social responsibility activities.[13] At the same time, recipients receive better aid and the implementing agencies acquire new skills. Thus many companies have begun to adapt their mission statements, core values, and mandates to include social responsibilities. For example, number seven on the Deutsche Post list of corporate values is to accept social responsibilities.[14] While on the face of them, corporate social responsibility projects appear to be net losses financially, over the long term, the increase in employee morale, and the new skills gained through employee secondment, as well as the brand benefits can indirectly contribute to higher profits.

Business Culture and Humanitarianism

The transatlantic divide on the issue of business engagement in response initiatives may stem from the different levels of comfort with money and the market place arising from differing historical origins of charitable giving on either side of the Atlantic. In the U.S. charitable giving began as the result of market successes—Carnegie, Rockefeller, and other major industrialists engaged in philanthropic pursuits precisely because they had the money and desire to do so. By contrast, charitable giving in Europe has its origins in philanthropists working to

[11] R. Bate, "The Trouble with USAID," *The American Interest* 1, no. 4 (2006). And R. Berrios, *Contracting for Development: The Role of for-Profit Contractors in U.S. Foreign Development Assistance* (Westport, CT, USA: Praeger, 2000).

[12] For example the Chemonics and the Global Emergency Group.

[13] Economist, "Special Report: Corporate Social Responsibility," (As found at: http://www.economist.com/specialreports/displaystory.cfm?story_id=10491043, last accessed march 25th, 2009 first published in print January 17th, 2008).

[14] Deutsche-Post/DHL, "Seven Corporate Values—Challenge and Guidance at the Same Time," (http://www.dp-dhl.de/dp-dhl?tab=1&skin=hi&check=yes&lang=de_EN&xmlFile=2006623, last accessed March 29th, 2009: 2009).

overcome market failures such as poverty and unemployment. Today in Europe, corporations are trusted less by the public than NGOs, while the opposite holds true in the U.S. The result is that the U.S. is more comfortable than the EU when using the market and private firms in the delivery of aid.[15]

Humanitarian traditionalists often suspect the motivations of businesses involved in humanitarian assistance. More specifically, there is a fear that business culture may not be compatible with humanitarian motives, principles of independence and disinterested action, because regardless of how they are engaging in relief or response, businesses must ultimately make a profit. Many feel that the humanitarian spirit, which drives humanitarian action, could be lost with the introduction of a business culture. For, when motivated by a bottom line, can a private firm truly be expected to take the time to create individualized, culturally sensitive solutions that maintain the recipient's dignity and are formatted to meet to the unique problems seen in every new disaster setting? Or will they utilize cookie-cutter solutions to save on the transaction costs of creating new ones, at the expense of the quality of the response?[16]

There are also concerns related to transparency of action. In general "Contracting avoids the need to mobilize state machinery and centralizes influence with those in charge of dispersing funds to and overseeing the contractor. The redistribution or power generally favors executives relative to legislators, reduces transparency in a way that advantages the government relative to the electorate, and opens the way (through the provision of information) for private interests to affect policy implementation and goals."[17]

For example, it has been well documented that in conflict situations, when private military firms are contracted to undertake missions, there is "an extra layer of cover from public scrutiny and congressional oversight."[18] The same could perhaps be said for businesses contracted for humanitarian assistance, especially when one considers the fact that USAID requests contracting officers to use private firms rather than NGOs in situations where the U.S. Government has a strong interest in maintaining regular oversight and control of the operations.[19] Obviously, this is at odds with the idea of impartial and neutral humanitarian aid. Given the lack of competition in the bidding process, and the poor U.S. oversight of these contracts,[20] it seems possible that in some circumstances firms may be contracted for precisely these political reasons. Even if they are not, the lack of competition for these contracts and

[15] Stephen Hopgood, "Saying 'No' To Wal-Mart? Money and Morality in Professional Humanitarianism," in *Humanitarianism in Question: Politics, Power, Ethics*, ed. M & T. Weiss Barnett (Ithaca, New York, USA: Cornell University Press, 2008).

[16] Ibid.

[17] Deborah D. Avant, *The Market for Force: The Consequences of Privatizing Security* (Cambridge, United Kingdom: Cambridge University Press, 2005).

[18] P. W. Singer, *Corporate Warriors: The Rise of the Privatized Military Industry* (Ithaca, New York, USA: Cornell University Press, 2003).

[19] USAID, "Automated Directives Service, Chapter 304: Selecting the Appropriate Acquisition and Assistance (a&a) Implementation Instrument," (As found at: www.usaid.gov/policy/ads/300/304.pdf: 2005).

[20] United States Government Accountability Office, "Report to the Committee on Oversight and Government Reform, House of Representatives: Usaid Acquisition and Assistance, Actions Needed to Develop and Implement a Strategic Workforce Plan," (As found at www.gao.gov.new.items/d081059.pdf, last accessed March 29th, 2009). And Berrios, *Contracting for Development: The Role of for-Profit Contractors in U.S. Foreign Development Assistance*.

poor monitoring means that these firms could be operating in ways that violate the humanitarian principles.[21] Both options are problematic for ensuring principled humanitarian action.

Where donors support business engagement, they have been criticized for prioritizing the economic interests of major firms over the needs of recipients, resulting in inadequate aid responses. The U.S. in particular, has been criticized for using the chaos found in post-disaster situations to forward the interests of industry over the needs of beneficiaries.[22] This is clearly in violation of the humanitarian principles, the principles of the Good Humanitarian Donorship Initiative, and the Sphere Project guidelines. The lack of competitive bidding for major contracts to help rebuild Afghanistan and Iraq and links of winning firms to the Bush Administration are further evidence that the use of business, at least in this form, could be detrimental to the mandate of humanitarian assistance, if not managed properly.[23] It must be noted, however, that when it comes to reconstruction efforts, private firms have and will continue to be the contractor of choice for major projects because they have resources and knowledge that few NGOs can muster. No NGO can compete with a major engineering or construction firm such as Kellogg Brown in terms of capacity to rebuild infrastructure or provide utilities on a large scale. Furthermore, reconstruction exists in the grey zone between humanitarian and development assistance and as such, these engagements will be more political than business engagement in purely humanitarian areas.

When it comes to preparedness, the role of business has been less understood and is seemingly less controversial. Here, businesses support initiatives that, in theory, build local response capacity, limit exposure, and lessen the impact of disasters. This directly supports the spirit of humanitarianism which is to save lives. Further, regardless of whether the firm has an indirect or direct profit motive, business engagement maintains the dignity of recipients by providing tools that support at risk communities to help themselves.

Engagement with private companies in humanitarian assistance has many other potential benefits. The field has been repeatedly called upon to professionalize and private companies can certainly assist traditional actors in doing so, whether it is through sharing best practices, donating tools or resources, or assisting in employee exchanges. There are also those who believe that the profit motive makes firms just as likely to have high quality aid responses as NGOs. One of the key complaints against business involvement is that they lack the motivation to truly understand the recipient populations. But, humanitarian firms in particular have an incentive to build "long-term relationships with local people. This helps gain a foothold in the community, facilitating the company's efforts in doing business in the area."[24] In other words, building long-term relationships makes good business sense.

---

[21] Binder and Witte, *Business Engagement in Humanitarian Relief: Key Trends and Policy Implications*.Binder and Witte found that there was no systematic tension with the principles when it came to non-commercial engagement. However for commercial engagements there is some tension. For example, independence of action may be difficult to achieve for private humanitarian firms because they are dependent on government funding for their survival, and unlike non-profit actors are less able to get private donations enabling them to act independently (p. 22).

[22] Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (Toronto, Canada: Random House Canada, 2008).

[23] Ian Similie and Larry Minear, *The Charity of Nations—Humanitarian Action in a Calculating World* (Bloomfield: CA: Kumarian Press, 2004).

[24] Soraya Narfeldt, "Private Sector Humanitarian Support," *Journal of International Peace Operations* 4, no. 2 (2008). p. 16.

Businesses can also contribute a wealth of additional resources, and given the increasing demands on the humanitarian system, it would make more sense to find ways of utilizing these resources that are compatible with the humanitarian principles, rather than refusing them on muddled ethical grounds. The issues regarding donor policies such as transparency and contracting certainly need to be addressed, but they are problems of governance and not related to the fact that the implementing entity is a for-profit organization.

In the end, the legitimacy of business in aid depends on one's understanding of humanitarian assistance: is it merely technical service provision or something more?[25] And if it is something more, is there any way for a business to provide it?[26] Taking a donor perspective, it seems possible that if a firm is contracted to provide a specific humanitarian service donors can ensure, either through clauses in their contracts with businesses or some other mechanism, that the businesses act in humanitarian ways to provide the required services. Further, there are situations where business may be in a position to assist where traditional actors cannot. Where this occurs surely donors are obligated by the humanitarian imperative to provide aid through a business that can. If donors are serious about supporting preparedness efforts then engagement with business is a must, as the economies of scale, tools and expertise vital to disaster risk reduction currently usually only exist within the private sector, for example weather insurance schemes, logistics, and IT skills. Nevertheless if there are concerns about business culture conflicting with humanitarian principles then guidelines are needed to ensure that business engagement follows humanitarian principles. These guidelines could then be referenced in contracts with private firms providing aid.

Donor Drivers for Business (non)Engagement

The reasons donors engage or do not engage with businesses originate in their bureaucratic and legal structures and moral or ethical beliefs about the benefits, or risks associated with such engagement. This section discusses the policy drivers towards different approaches to business engagement in the U.S. Government and the European Commission.

United States of America

The United States Agency for International Development (USAID) is the main body through which business engagement in humanitarian assistance is funneled in the U.S.. It is not possible to determine the amount USAID spends on humanitarian vs. development assistance, or how much goes to private businesses versus other implementing agencies because of the way their budget is consolidated. Further, because its work is in geographically sensitive locations or places where the U.S. has national security interests, its budgets are not open for scrutiny.[27] It is also not currently possible to view all the contracts USAID has given out or

---

[25] Stephen Hopgood, "Saying 'No' To Wal-Mart? Money and Morality in Professional Humanitarianism."

[26] Hopgood points out that the definition of what is humanitarian has been evolving since the time of Dunant. This suggests that the term and its definition could continue to grow allowing for businesses to be considered humanitarian.

[27] R. Bate, "The Trouble with USAID," *The American Interest* 1, no. 4, 2006, pp. 113–22.

currently has,[28] making a complete analysis of business versus traditional actor implemented projects difficult.

In the U.S., the drivers for business engagement in aid have their roots in the 1933 Buy America Act which ensures that USAID funds goods and services of American origin. This stipulation appeases Congress with domestic interest arguments[29] with the result that USAID has a preference for large long-term relationships with big U.S. organizations. Research shows that for-profit firms receive the most money from USAID, that the geographic distribution of all contractors is skewed towards Washington D.C., and that there are firms that rely exclusively on USAID to stay in business.[30]

Following the end of the Cold War, USAID was in political limbo. Its primary purpose had been to help win the Cold War by providing foreign assistance to "developing democracies" or countries of geopolitical importance. Once the Cold War was over, many in Congress saw no reason for the continuation of the agency, and called for its elimination. USAID was saved on three conditions: that it shrink, be accountable to the State Department, and embrace the private sector.[31] Funding for USAID continued to shrink in the 1990s and as USAID is prohibited from lobbying Congress itself for money, it uses its contractors and commercial supporters ("partners") to do the lobbying for more USAID funding. As a result, USAID relies strongly on contractors in its work.

USAID guidance for contracting decisions is found in *ADS Chapter 304: Selecting the Appropriate Acquisition and Assistance (A&A) Implementation Instrument (2005)*.[32] Acquisitions are generally contracts, while assistance mechanisms are usually grants. There are no limits on what type of organization can apply for contracts or grants, but generally contracts are used to engage for-profit firms, while grants are used for NGOs. According to the *ADS* "Where a politically sensitive situation exists, it may be necessary or desirable for USAID to have more day to day operational control and oversight of the implementation of a program. If the OU[33] believes that this level of involvement is needed, acquisition is the more appropriate choice of instrument."[34] This clause could be interpreted as suggesting that contracts are the preferred mechanism for situations where the U.S. has political objectives and wants to ensure the funded program does not contradict those objectives. Contracts, such as Indefinite Quantity Contracts are also used for technical service provision which requires intensive day to day oversight.

[28] USAID, "Acquisition & Assistance Ombudsman," USAID, ———, "Doing Business with USAID," (http://www.usaid.gov/business/).

[29] Bate, op. cit.

[30] R. Berrios, *Contracting for Development: The Role of for-Profit Contractors in U.S. Foreign Development Assistance*.

[31] Bate, op. cit.

[32] USAID, "Automated Directives Service, Chapter 304: Selecting the Appropriate Acquisition and Assistance (A&A) Implementation Instrument."

[33] Operating Units: USAID field Missions, regional entities, and USAID/Washington Offices that expend funds to support Agency program objectives. This definition particularly includes operating units performing the functions of formulating policy, strategic and budgetary planning, achieving results, procurement, personnel management, financial management, and statutory requirements. Ibid.

[34] Ibid.p. 6.

Applying for grants/contracts is done through a U.S. Government website: grants.gov. Since 2003, all businesses involved in contract and assistance awards must register with the Central Contractor Registration. Roughly half of the contracts and grants awarded by USAID are negotiated, issued, and administrated by the Washington D.C. office of Acquisition and Assistance. The other half by contracting and grant staff located at USAID missions worldwide.[35]

The exception to the above mechanisms is humanitarian emergencies. If the situation warrants it, OFDA may utilize its emergency acquisitions authority to bypass the normal USAID contracting procedures. The emergency acquisitions were created to expedite the contracting process and ensure the timeliness of aid delivery. Full and open competition is not required, because they are exempt from the requirements contained in central contract registration policy.[36] OFDA may choose to forego the qualification requirements needed for all other types of contracts, including the Buy America Act.[37]

Indefinite Quantity Contracts

Indefinite Quantity Contracts are sector-based contracting mechanism and are the primary means by which USAID procures technical services in humanitarian assistance. In disaster assistance, current subcontractors include the International Resources Group and CDM International Inc, who provide immediate disaster relief in water and sanitation, health and nutrition, and food and non-food responses to international emergency requirements. For humanitarian interventions occurring in post-conflict states there is the Instability, Crisis, and Recovery Program. The program will terminate in September 2010 and has a ceiling of 500,000,000 USD.[38]

The Global Development Alliance

The Global Development Alliance was launched in 2001. Billed as an innovative public-private alliance model[39] it brings together USAID and strategic partners, primarily businesses, to "support the U.S. Government's goals of transformational diplomacy."[40] Since its inception, USAID has spent $2.1 billion in approximately 600 public-private alliances worldwide and leveraged over $5.8 billion in committed contributions from more than 1,700 partners. USAID's role differs from alliance to alliance—playing an active role in monitoring to a more hands off role merely requesting regular reporting (quarterly, semi-annual or annual reporting.) Within the program there are both profit making and charitable partnerships.[41]

---

[35] USAID, "Doing Business with USAID." http://www.USAID.gov/business/.

[36] United States Government, "Central Contracting Registry," (www.ccr.gov).

[37] GPPi Interview, U.S. Government informant, 2008.

[38] USAID, "Central Awards Listing/ Indefinite Quantity Contracts (Iqcs) Conflict Management and Mitigation."

[39] USAID, "USAID Global Partnerships, About the GDA."

[40] Ibid.

[41] USAID, "Global Development Alliances Faqs," (http://www.usaid.gov/our_work/global_partnerships/gda/faq.html).

While the majority of alliances deal with development issues, there are a few for disaster relief and preparedness including an alliance on disaster preparedness in Latin America and some programs that promote private sector involvement in disaster preparedness and mitigation in China and Asia.[42]

Monitoring and Evaluation of Business Engagement

USAID uses different mechanisms for different types of business engagement, but there is limited oversight and evaluation, which when coupled with the directive to use mechanisms more suited to private firms in politically sensitive areas raises obvious issues in regards to ensuring high quality, principled work. A Government Accountability Office report of USAID's monitoring and evaluation systems show that monitoring and evaluation is weak on two fronts: gathering information about competencies and capacities of staff and developing systems that address monitoring needs. Contract officers are overworked and the offices are understaffed. Companies are allowed to negotiate reviews if they feel the review is too negative and as a result no cases could be found where USAID dropped a company for poor performance. Furthermore, in some Global Development Alliance projects and most Indefinite Quantity Contracts, companies self-monitor and then report back to USAID. This is a staffing issue, but is also ineffective as companies are necessarily biased in reviews of their own work.[43]

In essence, USAID is mandated to use businesses, in particular U.S. businesses, to fulfil its mission. Recent restructuring efforts have resulted in more hurdles for foreign and non-profit entities to work with USAID.[44] Sadly, these restructuring efforts have not been coupled with increased contracting, monitoring and evaluation staff to ensure that firms are fulfilling the requirements of their contracts. The effects of these legislative and administrative issues are that 70 percent of foreign assistance money from the U.S. Government is spent in the US.[45] This is problematic for those who feel assistance should go towards improving lives in poorer countries and for those who feel contracted for-profit firms may be less willing to defend the humanitarian principles in their work.

European Commission

The mandate of USAID to use private businesses in the provision of aid and humanitarian assistance stands in stark contrast to the European Commission's mandate. DG ECHO's regulations specify that humanitarian assistance can only be directed to international and non-

[42] USAID, "Latin America and the Caribbean—Disaster Preparedness and Mitigation Programs," (http://www.usaid.gov/our_work/humanitarian_assistance/disaster_assistance/publications/prep_mit/mods/program_updates/lac_dp_fs01_09-30-2007.pdf, last accessed March 29th, 2009: 2007), ———, "Asia and Pacific –Disaster Preparedness and Mitigation Programs," (http://www.usaid.gov/our_work/humanitarian_assistance/disaster_assistance/countries/solomon_islands/template/fs_sr/fy2007/asia_dp_fs01_03-30-2007.pdf.: 2007).

[43] Government Accountability Office, "Report to the Committee on Oversight and Government Reform, House of Representatives: Usaid Acquisition and Assistance, Actions Needed to Develop and Implement a Strategic Workforce Plan."

[44] Under the Clinton Administration USAID lost many of its field staff, and as a result knowledge of local agencies. Local agencies have also been found to lack the necessary knowledge and lobbying prowess to get USAID funding. R. Bate, "The Trouble with USAID," *The American Interest* 1, no. 4 (2006).

[45] Similie/Minear, op. cit., p. 168.

profit organizations, such as the Red Cross, the UN or NGOs.[46] The regulations also specifically state that humanitarian aid funds cannot be used for profit. As a result, the European Commission cannot directly support business engagement in humanitarian assistance. Although when it comes to technical support, DG ECHO is generally supportive of the use of businesses in areas such as telecommunications and IT.

Unlike the U.S. Government, the Commission has a large and explicit policy document outlining its views towards humanitarian assistance: The European Consensus on Humanitarian Aid. The Consensus reinforces the humanitarian principles and highlights the independence of aid, stating that aid "should not be influenced by specific interests be they economic, political, cultural or religious"[47] leaving seemingly little room to engage with humanitarian businesses. But closer analysis of DG ECHO, and the Consensus, finds that there is some openness towards business.

The Consensus states that the European Commission seeks to maximize the efficacy of assistance by providing aid as quickly to as many people as possible. It also states that the European Commission seeks to utilize professional planning, monitoring, evaluation, and audit tools to achieve accountability and transparency. Many of these skills can best be found in the private sector. Furthermore, the 2008 DG ECHO strategy paper states that DG ECHO "will continue its reflection on other themes and sectors such as protection, gender, environment and possibly the role of the private sector in humanitarian aid."[48] This suggests that there may be room for engaging with businesses in a non-profit manner, and the idea of partnerships with private business is not anathema to DG ECHO per se.

In fact, the European Commission supports organizations that work with businesses and can be said to thus indirectly support business engagement.[49] A case in point is the World Food Programme, a major recipient of Commission funds which has ground breaking commercial and non-commercial business engagements in insurance and logistics support.[50] The Commission also contracts out support services such as procurement and evaluations. Nevertheless, major internal funding regulations and other administrative hurdles, as well as a narrow, principled view of humanitarianism, make it unlikely that the European Commission can engage seriously with business in the actual provision of humanitarian assistance.

In some senses this strict mandate has effectively forced DG ECHO to have tied funding, in that DG ECHO can only give to non-profits or major international organizations. If a for-profit company could do the job better, save more lives etc, for less money, this limitation in

---

[46] DG ECHO, "General Conditions Applicable to European Community Grant Agreements with Humanitarian Organizations for Humanitarian Aid Actions" (http://ec.europa.eu/DG ECHO/files/about/actors/fpa/general_conditions_en.pdf, last accessed March 29, 2009: 2008).

[47] European Commission, "European Consensus on Humanitarian Aid—Action Plan" (Brussels: Commission of the European Communities, 2008), Annex point 1.

[48] DG ECHO, "DG ECHO—Operational Strategy 2008" (Brussels: Commission of the European Communities, 2008).

[49] GPPi Interviews, personal correspondence with DG ECHO informant, 2008.

[50] WFP, "World's First Humanitarian Insurance Policy Issued," (As found at: http://www.wfp.org/news/news-release/worlds-first-humanitarian-insurance-policy-issued, last accessed March 29th, 2009: 2006). And TNT, "Moving the World: Tnt's Partnership with UN World Food Programme" (2006). For more information please see the case studies on disaster preparedness.

DG ECHO's mandate raises just as many questions about how to ensure effective aid delivery as there are about the U.S. Government's use of private firms.

Business Engagement: Lessons From the Case Studies

The previous sections have shown that donor-business engagement is varied and complicated by both operational issues and ethical concerns. This section briefly highlights some of the key lessons related to business engagement in disaster preparedness and response. More detailed information and recommendations specific to these areas are found in the case studies.

Commercial Disaster Preparedness

One of the core areas where businesses can engage commercially in preparedness is insurance. Insurance schemes play an important part in disaster risk reduction toolboxes for at risk communities. While insurance will never fully replace response efforts, it is an area where there are easy wins. There is incredible capacity in the private sector to support insurance schemes that can reduce risk exposure to natural disasters. Additionally, preparedness initiatives generally do not have the same problems related to principled action as response initiatives and as such many of the concerns regarding business engagement and the humanitarian principles are not present here. When one further considers the fact that many of these initiatives contain built-in checks and balances, and transparent and efficient monitoring and evaluation tools, commercial engagement in disaster preparedness is clearly an area donors should support.

Unfortunately, research found that donor support for these schemes is limited by administrative and mandate-related issues that prevent the use of for-profit tools, as well as the cost, limited information for insurance assessment of risks and markets, and low levels of partnerships with governments. Of further concern is that despite its proven successes insurance seems to be a low priority for governments until after major disasters, when it is too late. Political instability can be an obstacle to sustained action in disaster preparedness and in getting accurate and reliable information with which to create insurance schemes and sadly, many of the most at-risk areas are politically unstable.

Corporate Social Responsibility in Disaster Preparedness

It is much harder for corporations to make the case to engage philanthropically in disaster preparedness than it is to contribute to response efforts. For that reason, governments should provide incentives, and a legal framework to encourage business engagement in disaster perparedness. Despite the difficulty, there are many industries that are supporting preparedness initiatives—primarily through pre-positioning efforts such as signing agreements to allow immediate access after a disaster or stockpiling supplies and creating mechanisms so they can be easily and quickly dispersed. Logistics firms such as DHL, for example, can significantly contribute to disaster preparedness and response efforts. Preparing and responding to disaster is a logistical nightmare. These companies have business expertise in logistics and transport. They can and do play a serious role in ensuring an efficient aid response. However, their role must be facilitated by the local government. To overcome this difficulty, some logistics companies sign memorandums of understanding with at-risk countries prior to disasters so that should disaster strike, the company can put its team in place as soon as possible.[51] Similarly, health and pharmaceutical companies can stockpile drugs, first aid supplies, and medical supplies, and work with first responders to ensure that they have the appropriate tools necessary to prevent pandemics.

Commercial Emergency Response

Commercial response initiatives are a small, but growing niche in the humanitarian assistance field. Fully understanding their role and the moral and financial consequences for their use remains difficult due to incomplete information on the subject. The research of this study group has found that the donor rules governing the use of private firms generally relate to contracting and implementation, but do not address whether private firms are the appropriate actors for a response. Further, they do not demand and ensure adherence to the humanitarian principles. As they are only a tiny fraction of the players in this field, the use of humanitarian firms has not resulted in serious debate between donors, yet serious debate is required if new actors are to join the field. Mechanisms must be created to determine whether and where such actors can play a role. Donors need to transparently report their use of these firms to enable comparisons between their response efforts and those of traditional actors. One of the reasons why firms are currently used is because they can deliver very quickly. This is the result of the different ways that NGOs and private firms are organized and funded by donors. If donors determine that engaging commercial businesses impinges on the humanitarian principles they will need to adapt their mechanisms to support traditional actors to develop rapid reaction capacity.

Corporate Social Responsiblity in Humanitarian Responses

Non-commercial disaster response engagements have received increasing attention and occur in many different industries. Non-commercial engagement generally occurs in one of three ways: cash donations, in-kind donations of goods or services, or employee secondment. Analysis has shown that business involvement in humanitarian assistance is more helpful when the support is a cash donation or draws on a core competency of the business. Implementing agencies or donors engaging in aid have experienced problems when well-meaning companies donate goods that are not needed as donations of unnecessary supplies and skills can clog disaster response and make it less effective.[52] Guidelines for businesses that want to support aid efforts have been developed by many aid agencies, donors, and business organizations, but have been found lacking. The findings of this study are similar to those for the corporate social responsibility in disaster preparedness in that what is needed for business engagement to be truly beneficial is pre-planning and a long term partnership.[53]

---

[51] GPPi interviews, business informant, 2008 and GPPi, "Learning from the Field: Fostering Effective Transatlantic Action on Disaster Relief and Preparedness".

[52] EIU, "Disaster Response Management: Going the Last Mile" (Economist Intelligence Unit, 2005).

[53] BusinessRoundtable, "Partnership for Disaster Response" (http://www.respondtodisaster.com/: 2009).

Interviews with business representatives, and the discussions at the Second Transatlantic Dialogue on Humanitarian Action revealed that coordination of business engagement during a disaster has been a serious difficulty faced by businesses, implementing agencies, and donors alike. Many businesses have complained that they are not able to help as much as they could during a crisis due to a lack of pre-planning on the part of governments, multilateral organizations, or NGOs.[54] Many businesses feel that their donations could be more helpful if a mechanism existed for highlighting what was needed where, and putting those in need in touch with those who have such goods. Implementing agencies and governments have also been frustrated when faced with an onslaught of unnecessary goods or demands for meetings about donations during a disaster when their staff are, obviously, working at full capacity. As a result, some government and implementing agencies have set up portals and guidelines to support business engagement, match donations to organizations that need them, or organize requests for information on donating, albeit with limited success.[55] Given the wealth of resources found in the private sector it seems foolish to ignore them. Disaster planning should include training to facilitate the effective use of business resources. Pre-planning and creating partnerships well in advance of a disaster are vital to ensuring effective implementation and engagement with businesses.

Guidelines

While all stakeholders believe guidelines are necessary, attempts to create them to date have been insufficient. Existing guidelines for business engagement in humanitarian assistance either do not cover the entire breadth of business engagement, are too broad, or lack enforcement mechanisms. The formal role of business in disaster preparedness was only acknowledged in 2005 with the creation of the Hyogo Framework. This section briefly discusses the Framework as well as the Guiding Principles for Public-Private Collaboration in Humanitarian Action, one of the most well known sets of guidelines for business engagement in this field.

The Hyogo Framework

Adopted in 2005 at the World Conference for Disaster Reduction and based on a 2003 decision of the General Assembly of the United Nations, the Hyogo Framework is the first disaster reduction framework to confirm that civil society, the scientific community, and the private sector are all vital stakeholders and legitimate actors in the implementation of disaster risk reduction strategies. To meet its goals to reduce underlying risk factors it "promote[s] the establishment of public-private partnerships to better engage the private sector in disaster risk reduction activities: encourage the private sector to foster a culture of disaster prevention, putting greater emphasis on, and allocating resources to pre-disaster activities."[56] The Hyogo Framework gives donor and recipient nations a platform for engaging with business, to enable access to businesses' skills and to better prepare for and respond to disasters. But the Hyogo

---

[54] BENS, "Getting Down to Business: An Action Plan for Public-Private Disaster Response Coordination," (http://www.bens.org/library/publications/current.html, last accessed March 29th, 2009: 2007).

[55] For example: Foundation AidMatrix, "Aid Matrix Network." GPPi interviews, business informant 2008 and BENS, "Getting Down to Business: An Action Plan for Public-Private Disaster Response Coordination."

[56] UNISDR, "Report of the World Conference on Disaster Reduction" (paper presented at the World Conference on Disaster Reduction, Kobe Hyogo, Japan, 2005), p. 17.

Framework does not address the concerns of the humanitarian community, namely that involving business in humanitarian assistance could undermine the humanitarian principles.

The World Economic Forum and the United Nations Office for the Coordination of Humanitarian Assistance Guiding Principles for Public-Private Collaboration for Humanitarian Action

Given the potential difficulties of bringing businesses into disaster response, implementing agencies and international organizations have created many sets of guidelines for their work with businesses.[57] In 2008, the World Economic Forum and the Office for the Coordination of Humanitarian Affairs created a set of guiding principles to support public-private collaboration in humanitarian action in order to address some of the concerns surrounding business involvement.[58]

These guidelines are a step in the right direction, but there are flaws. The principles only cover non-profit engagement, are non-binding, and offer no mechanism to monitor businesses. They also ask businesses to refer to multiple other sets of guidelines that exist. By giving no specific instructions as to which principles must be followed by which type of business and when, the document leaves it to the business to decide. This situation is highly ineffective because, with no follow-up enforcement, a business has no motivation to utilize the guidelines most applicable to its work and to implement the changes necessary to follow them.

If donors are serious about ensuring that business engagement remains principled, then guidelines that encompass all forms of business engagement are necessary. These guidelines will need to be developed by an internationally recognized organization, with the help of businesses, donors, recipients, and other stakeholders. One potential solution is to create a Humanitarian Compact, similar to the Global Compact,[59] but with stronger monitoring mechanisms.[60] If businesses were in good standing with the Compact implementing agencies, and donors could then partner with them knowing that the businesses would act in accordance with established rules and guidelines to ensure their participation promoted principled humanitarian action.

---

[57] For example please see Oxfam, "Policy Compendium Note on the Private Sector and Humanitarian Relief" (2007).

[58] OCHA, *Guiding Principles for Public-Private Collaboration for Humanitarian Action*.

[59] Alyson Warhurst, *Disaster Prevention: A Role for Business?* (Maplecroft and ProVention Consortium, 2006).Warhurst believes that the Global Compact may be an ideal tool for harnessing the power of businesses to engage in disaster preparedness initiatives. Recognizing that disasters have the potential to undermine progress towards the millennium development goals, preparedness efforts do seem better placed here. Subsequently the new Humanitarian Compact could focus on disaster response initiatives.

[60] A McKinsey report has found that the Global Compact suffers from poor monitoring and evaluation and that companies which have not met the Compacts minimum standards remain members. McKinsey&Company, "Assessing the Global Compact's Impact," (http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2004_06_09/imp_ass.pdf, last accessed March 29th, 2009: 2004).Given the importance of principled action in humanitarian aid, more stringent monitoring and evaluation procedures are necessary. An example of a more stringent set mechanism can be found in the OECD Guidelines for Multinational Enterprises OECD, "OECD Guidelines for Multinational Enterprises," (http://www.oecd.org/dataoecd/56/36/1922428.pdf, last accessed March 29th, 2009: 2008).

Conclusions And Recommendations

While business is not usually a topic of conversation at donor meetings, the engagement of the private sector for humanitarian purposes speaks to the fundamental differences between how the U.S. Government and the European Commission conduct humanitarian assistance. Both the European Commission and the U.S. Government are interested in ensuring maximum effectiveness of aid dollars. Where the European Commission and the U.S. differ is on whether or not businesses are legitimate actors/agencies through which assistance can be channelled.

The U.S. Government views business as a legitimate player, in part because USAID must work with businesses in order to meet its legal requirements as laid out in the Federal Assistance Regulations and Buy America Act. However, there is also a belief that by increasing donor capacity to deliver aid, business engagement may further the commitment to the world's neediest. The European Commission on the other hand does not involve business in the direct provision of assistance due to institutional barriers preventing DG ECHO from funding anything but NGOs and the UN, and because of a strict understanding of the humanitarian principles precluding economic interests in influencing aid. As these conceptions are based on principles and assumptions rather than measured evidence and conclusions, a change in policy on either side of the Atlantic will require a shift in conceptions of assistance and how it should be delivered and governed.

Such a shift in thinking may eventually be possible. The 2008 DG ECHO strategy paper which outlines DG ECHO's interest in watching the role of business suggests some movement.[61] Plus several international codes of conduct have set a precedent for normalizing the role of business in humanitarian assistance to ensure that private sector involvement remains principled. Thus there is now political backing to consider business a legitimate player in the aid game. However, there are considerable administrative barriers to be overcome in both the Commission and many member states' bilateral aid agencies before the European Commission can start seriously engaging with the private sector in the delivery of assistance.

In addition, the European Consensus on Humanitarian Aid outlines the Commission's stated goals of increasing partnerships, expanding the funding base for humanitarian aid, and reaching out to all actors, so that the governance of humanitarian aid remains principled and fair and uniform across the board. So, while the funding stipulations that govern what types of organizations DG ECHO can work with may prevent it from funding businesses in humanitarian assistance, DG ECHO has a responsibility to recognize businesses as a new(ish) actor and find a way to engage with or at least have dialogue with businesses. DG ECHO funds many implementing agencies who partner with the business sector. Given the Commission's stated desire to be a policy leader in humanitarian assistance, it should engage in or spearhead efforts to create codes and guidelines to govern business engagement, regardless of what organization a business is partnered with, thus ensuring that all humanitarian assistance funded by the Commission remains principled.

---

[61] DG ECHO, op. cit., p. 24. However, the 2009 strategy paper does not include any reference to business.

Recommendation One: Ensure that Business Engagement of All Kinds Remains Principled and Effective

Existing codes for guiding business engagement have proven ineffective in guaranteeing compliance of business to the humanitarian principles or in ensuring high quality aid. The international community faces several problems which are reflected in the U.S. national model: How do you encourage business involvement while maintaining a principled approach? This requires strong guidelines that are backed up by strong monitoring and evaluation procedures—something lacking both in the U.S. and on the international stage. Without such guidelines it is unlikely that DG ECHO would be able to work with businesses, or view them as legitimate purveyors of humanitarian assistance.

Donors need to enter into active dialogues with the private sector on the role of business in humanitarian assistance and the principles guiding that assistance. Building on the *Guiding Principles for Public-Private Collaboration for Humanitarian Action*, donors should support the development of common standards of business engagement in humanitarian assistance, that encompass all types of business engagement. They need to develop clear policies using an interactive process on when, whether, and how to engage with the private sector in humanitarian assistance.

Recommendation Two: Support Both For-Profit and Corporate Social Responsibility Efforts in Disaster Preparedness

First, as outlined in the Hyogo Framework, business has a legitimate and important role to play in disaster risk reduction strategies. Preparedness initiatives do not have the same ethical dilemmas that response initiatives do and can be easily designed to include checks and balances and evaluation mechanisms that make them low-risk, high-reward engagements. While such initiatives can never fully replace response efforts, they can protect livelihoods and support rapid reconstruction efforts through the disbursement of policy pay-outs, which reduces the impact disasters have on development gains.

Second, the business case for charitably engaging in preparedness efforts is much harder to make than it is for response efforts. Nevertheless it is an area where business involvement could make a real impact. Accordingly, donors should examine potential mechanisms to incentivize business engagement in this area such as tax breaks, or grants to support preparedness initiatives.

Recommendation Three: Increase Transparency in Business Engagements

More information is needed on how and where businesses engage. The full extent of business engagement and the processes used to engage businesses need to be more open. Only with more information can effective policies and informed opinions be made.

In the United States, business engagement currently lacks transparency because funding is not clearly or systematically reported. Budget information has not been disaggregated, or made public due to national security concerns. What information is available is spread across multiple sources and is not easily organized. More transparency is necessary. Shedding light on the processes through which the U.S. Government engages private companies to deliver aid would provide an excellent learning opportunity for the aid community. This would enable gathering the measured evidence necessary to make informed decisions on the role business can play in humanitarian assistance.

Once greater transparency exists, further research can be done on the role of business. Based on the subsequent findings, donors could modify the structure of business engagement to address the issues important to the international community regarding the possibility of business interests outweighing the humanitarian principles. The U.S. has experience in engaging with business and would be in an excellent position to develop mechanisms to monitor and control business engagement to ensure that humanitarian principles are better upheld and assistance is more effective. As outlined in other chapters, DG ECHO has superior monitoring and evaluation mechanisms and could work with the U.S. to develop such mechanisms for business. This notion may require significant restructuring at USAID in particular, but given the Obama administration's stated desire to reorganize USAID and re-examine contracting procedures for all U.S. Government agencies, now is the opportune time to do so.[62] Given the current lack of transparency coupled with the different principles, assumptions, and administrative structures on either side of the Atlantic, it seems unlikely that European donors and the U.S. Government will be able to sit down and discuss the issue of business engagement openly until the U.S. processes become more transparent and open to scrutiny. Until then, assumptions and principles may get in the way of honest debate.

There are other sticking points worth considering if the U.S. Government and the European Commission are to work together on contracting out to third parties for humanitarian assistance. The U.S. has a policy of contracting out to U.S. companies as much as possible. In fact the U.S. procurement regulations favor or in some cases demand the use of U.S. based firms versus local firms in the target areas. The European Consensus on Humanitarian Aid states that aid efforts should not undermine local skills and resources and the exclusive use of U.S. firms has the potential to do so, and undermine the expediency of aid as well.

Given these sticking points, and the current lack of concrete information on business engagement, high level cooperation in this area seems unlikely and may have the potential to undermine increased transatlantic cooperation in humanitarian assistance. The legislative and administrative mechanisms that shape and guide the European Commission and the U.S. are very different, as are the views towards how best to maintain the humanitarian principles in practice. Debates on issues that mix moral and ethical concerns with administrative and legal realities, and incomplete information, will never lead to fruitful conclusions. Nevertheless both the European Commission and the U.S. Government are important donors and drive policy in this field. It would behove them to find ways to discuss the guiding of business engagement in a manner that bypasses the sticky, political questions and instead focuses on the practical.

[62] Scott Wilson and Robert O'Harrow, "President Orders Review of Federal Contracting System: More Competition, Accountability for Procurement Sought," *The Washington Post*, Thursday, March 5, 2009.

Recommendation Four: Donors Should Work with Implementing Agencies and Businesses to Create Maps of Humanitarian Interventions.

One of the core concerns for donors, businesses, and implementing agencies alike is coordinating all the various actors involved in humanitarian interventions and determining what tools and skill sets are needed where. A comparison of what types of organizations are best suited to what types of assistance mechanisms has not been done, but is clearly necessary. Such a tool would allow stakeholders to understand each others' sills sets and how they can work together to ensure the efficient delivery of assistance. To assist in this effort, donors could come together and create maps that:

- Highlight the highest priorities for humanitarians and identify gaps in their capacity;
- Create a matrix of tasks in an intervention, with a clear delineation of who is best placed to do what tasks and when in the cycle of an intervention;
- Tie the map and matrix into policies on when and how to engage with business.

This practical approach would allow stakeholders to come together and work with each other potentially resulting in better assistance for recipients.