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E.C. and U.S. approaches to Business Engagement in Humanitarian Action
A case study on non-commercial business engagement in disaster relief

The following case study is a draft version and is part of a study group comprised of four case studies and a summary report for the Raising the Bar: Enhancing transatlantic governance of disaster relief and preparedness project. The views expressed here do not necessarily reflect the views of the Center for Transatlantic Relations or the Global Public Policy Institute. We look forward to receiving your comments by March 25th, 2009.
Table of Contents

1 INTRODUCTION .................................................................................................................. 3
  1.1 HISTORY OF DISASTER RESPONSE - AN OVERVIEW .............................................. 3
    1.1.1 Box 1: Human Development Index (2007/08) ................................................... 4
    1.1.2 Figure 1: Number of Natural Disasters 1975-2006 ........................................... 4
  2 NON-COMMERCIAL BUSINESS ENGAGEMENT IN NATURAL DISASTERS .......... 6
    2.1.1 Table 1: Overview of Surveyed Natural Disasters ........................................... 6
    2.2 CASH DONATIONS ........................................................................................................ 7
    2.3 VOLUNTEERING AND DELEGATION ...................................................................... 7
    2.4 APPLICATION OF KEY EXPERTISE .......................................................................... 7
  3 MOTIVATION FOR BUSINESS ACTORS TO ENGAGE IN DISASTER RELIEF .......... 9
    3.1 THE ETHICAL DRIVER ............................................................................................... 10
    3.2 THE STAKEHOLDER DRIVER .................................................................................. 10
    3.3 THE INTERNAL CORPORATE DRIVER .................................................................. 11
    3.4 REASONS FOR CORPORATE (NON) INVOLVEMENT IN DISASTER RELIEF OPERATIONS .......................................................... 12
      3.4.1 Lack of Coherent Engagement Framework ......................................................... 12
      3.4.2 Lack of Specialized Disaster Relief Knowledge ................................................... 12
      3.4.3 Cultural Divide between Public/ Civil Society and Private Actors ..................... 13
      3.4.4 Product & Service Specificity ............................................................................. 13
  4 DONOR POLICIES ON NCBE IN DISASTER RELIEF ................................................... 14
    4.1 GERMANY ..................................................................................................................... 14
    4.2 UNITED KINGDOM ..................................................................................................... 15
    4.3 UNITED STATES OF AMERICA ................................................................................ 15
    4.4 EUROPEAN COMMISSION AND UNION ................................................................. 16
  5 FUTURE POTENTIAL FOR NON-COMMERCIAL BUSINESS ENGAGEMENT IN DISASTER RELIEF .......................................................... 17
    5.1.1 Figure 2: Official Development Assistance of select Donors ................................ 17
    5.2 LINKING PHILANTHROPY AND CORPORATE SOCIAL RESPONSIBILITY ............. 18
    5.3 BEYOND CORPORATE DONATIONS: APPLICATION OF CORE COMPETENCIES .......................................................... 19
    5.4 5.3 BUSINESS ENGAGEMENT AND HUMANITARIAN PRINCIPLES ....................... 19
    5.5 DONOR AND CIVIL SOCIETY CONCERNS ............................................................... 20
    5.6 EFFECTIVENESS AND ACCOUNTABILITY ............................................................... 21
    5.7 COMPLEX EMERGENCIES: BUSINESS, NATURAL DISASTER AND CONFLICT .... 22
  6 CONCLUSIONS AND POLICY RECOMMENDATIONS .................................................. 23
    6.1 6COMMON FRAMEWORKS: ....................................................................................... 23
      6.1.1 Create a Business-Donor Consensus on Humanitarian Aid .................................. 23
      6.1.2 Establish a Standing Multi-stakeholder Committee on Humanitarian Aid .......... 23
      6.1.3 Ensure Policy Coherence in Natural Disaster Response ....................................... 24
    6.2 DETAILED MEASURES ............................................................................................... 24
      6.2.4 Business Contributions at Different Phases of a Natural Disaster ....................... 24
      6.2.5 Application-oriented Training of Corporation in Humanitarian Aid and Disaster Relief ....... 24
      6.2.6 Evaluation of Donor-Business Partnerships ......................................................... 25
  7 ANNEX: SURVEY OF FOUR NATURAL DISASTERS: .................................................... 27
    7.1 TSUNAMI IN EAST ASIA IN 2004 .............................................................................. 27
      7.1.1 A Comparison of non-business and business relief providers ............................. 27
    7.2 HURRICANE KATRINA IN THE US IN 2005 ............................................................. 28
      7.2.2 A Comparison of non-business and business relief providers ............................. 29
    7.3 CYCLONE NARGIS IN MYANMAR IN 2008 & EARTHQUAKE IN SICHUAN, CHINA IN 2008 .......... 30
      7.3.3 Comparison of Relief efforts by non-business and business providers ................ 30
1 INTRODUCTION

This paper seeks to address the potential for non-commercial business engagement (NCBE) in humanitarian aid, with a particular focus on disaster relief. With only a few exceptions, the potential for corporate contribution to disaster relief operations has previously not been fully realized. There have only been a few partnership projects between corporations and the UN as well as civil society organizations. In addition, major donors, such as the EU and national implementing agencies, have been quite hesitant and shown a lack of interest in cooperating with business actors in the aftermath of natural disasters.

An examination of different types of non-commercial business engagement in the past and corresponding business motivations constitutes the starting point for the analysis. Motivations and conditions under which business engage in natural disaster response are identified. In conjunction with current donor policies, the potential of non-commercial business engagement and its major obstacles are discussed. General and detailed policy recommendations are formulated.

Owing to financial constraints this study is based primarily on desk research. Secondary sources, grey materials and interviews were used to gather information as field visits were not possible. Nevertheless, a thorough examination of the issues at hand was possible and the results of the study show that business contributions to disaster relief can constitute functional supplements to disaster recovery operations, but will, in the short and mid-term perspective, only complement not substitute public sector and civil society efforts. The analysis underlines two aspects: by definition business contributions, be they commercial or non-commercial, do not fully comply with fundamental humanitarian principles, such as impartiality, independence and humanity. Yet, if some ground rules for NCBE can be established then the potential of business can be realized to the benefit of people in situations of natural disaster. If properly crafted, partnerships with corporate actors can significantly contribute to improved humanitarian aid operations on the ground by providing additional financial and non-financial resources, thus making humanitarian aid more effective and, at times, more efficient.

1.1 History of Disaster Response - An overview

By and large states in Western Europe, North America and most other OECD countries cope very well with the effects of natural disasters of medium size. Local institutions, such as fire brigades, police, and the military, federal agencies for technical relief, the Red Cross and other civil society organizations, are able to provide sufficient humanitarian assistance such that state governments are not forced to call for international assistance. In the cases of Hurricane Lothar in Western Europe in 1999, the flood between Poland and German (known as the ‘Oderflut’) in 1997 or the heat wave in France in 2003, state agencies in cooperation with other national actors were more or less able to manage the major consequences of natural disasters. Yet non-OECD
countries, such as those in regions with low or uneven levels of development (Box 1), are often located in disaster prone regions and are more often affected by natural disasters.¹

1.1.1  Box 1: Human Development Index (2007/08);

<table>
<thead>
<tr>
<th>Country</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>0.952</td>
</tr>
<tr>
<td>USA</td>
<td>0.951</td>
</tr>
<tr>
<td>Germany</td>
<td>0.935</td>
</tr>
<tr>
<td>Poland</td>
<td>0.870</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.781</td>
</tr>
<tr>
<td>China</td>
<td>0.777</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>0.743</td>
</tr>
<tr>
<td>Myanmar</td>
<td>0.583</td>
</tr>
</tbody>
</table>

Source: UNDP 2007

Owing to governance gaps, state agencies have had many more problems providing the public goods needed in the aftermath of natural destruction. Examples include the tsunami in South-East Asia in 2004, Cyclone Nargis in Myanmar and the earthquake in Sichuan, China in 2008.

1.1.2  Figure 1: Number of Natural Disasters 1975-2006

In addition, natural disasters of severe magnitude have been on the rise due to climate change. The sheer number, scale and quantity of natural disasters have increased over time.²


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Even OECD countries have become more dependent on external assistance to overcome the consequences of natural disasters, as Hurricane Katrina in 2005 in the Gulf of Mexico demonstrated explicitly. External assistance in this and other cases has not been limited to state actors and civil society organizations; business actors have increasingly become involved in disaster relief efforts. Owing to governance gaps and resource deficiencies, governments, even when working with civil society organizations, have at times been unable to provide adequate remedies and perform necessary relief functions. Business actors have become increasingly important in international politics in the past decade, utilizing material and organizational resources to take on corporate responsibility and contribute to the production of public goods. As a consequence, business actors have become more active in humanitarian relief operations and have recently made significant contributions.

So far, there is little systematic knowledge among practitioners or academics as to whether and under what conditions business can make significant contributions to humanitarian relief efforts. This paper attempts to shed some light on various facets of non-commercial business engagement in disaster response operations. It starts by assuming that there is potential for non-commercial business engagement (NCBE) in humanitarian aid i.e. that business actors do not engage in and contribute to disaster relief efforts with only a short-term aim to generate revenues or profits.

In the second section, the results of a survey of four natural disasters are presented (full survey, see annex). Based on in-depth business illustrations, focusing on companies from different industries (Deutsche Post Worldnet/ Germany from the logistics sector; Coca Cola/ US from the beverage sector; Microsoft/ US from the software sector), that display similarities and differences across industries, three types of business engagement are introduced: donations, volunteering and expertise.

Motivations for business actors to engage in disaster relief operations are described in the third section, looking at societal, outward and inward dimensions, before current donor policies on business engagement from major donors, such as Germany, the US, and the UK, are presented. In the fifth section, the major aspects of contention of NCBE in humanitarian aid are discussed, and then a number of concrete policy recommendations are put forward.
2 NON-COMMERCIAL BUSINESS ENGAGEMENT IN NATURAL DISASTERS

To analyze corporate contributions in natural disaster relief efforts in the recent past an overview of NCBE in natural disasters is provided. Four different natural disasters (Tsunami 2004, Hurricane Katrina 2005, Cyclone Nargis 2008, Earthquake Sichuan 2008) have been surveyed in order to analyze how public and private actors have contributed to humanitarian relief efforts. A detailed overview of the four natural disasters can be found in the annex while the table below provides a brief overview of each.

2.1.1 Table 1: Overview of Surveyed Natural Disasters

<table>
<thead>
<tr>
<th>Name</th>
<th>Type of Disaster</th>
<th>Casualties &amp; Damage</th>
<th>Business Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsunami 2004</td>
<td>Tsunami</td>
<td>230,000. More than $2 billion allocated for recovery efforts</td>
<td>Monetary donations and matching funds, Donation of material such as medicines, tents, food and clothing, Applying key-expertise, e.g. in the fields of IT, logistics and consultancy of NGOs, to improve the course of relief efforts, Volunteering by employees</td>
</tr>
<tr>
<td>Hurricane Katrina 2005</td>
<td>Hurricane</td>
<td>Over 1,800 casualties. Estimated total damage $81 billion.</td>
<td>Monetary donations and matching funds, Donation of material such as medicines, healthcare products, food and software, Applying key-expertise in the fields of IT, logistics and consultancy, Volunteering by employees</td>
</tr>
<tr>
<td>Cyclone Nargis 2008</td>
<td>Cyclone Nargis</td>
<td>Casualties: 134,000. Estimated damage: more than $10 billion.</td>
<td>Monetary donations and matching funds, Donation of material such as medicines, tents, food, Ensure coordination of donations, Applying key-expertise e.g. setting up web-pages as information resource, storing and distributing materials needed, Volunteering by employees</td>
</tr>
<tr>
<td>Earthquake China, 2008</td>
<td>Earthquake</td>
<td>Casualties: 69,000 Damage estimates as high as $150 billion</td>
<td>Monetary donations and matching funds, Donation of material such as medicines, tents, food and even employee blood donations, Applying key-expertise e.g. free support to local enterprises to set up their IT sys-</td>
</tr>
</tbody>
</table>
Based on the analysis of business engagement in four past disaster relief efforts, NCBE in disaster relief efforts occurs in three ways: cash donations, volunteering or delegating of personnel and the provision of key expertise. Donations in the form of voluntary financial contributions constitute the oldest pattern of business engagement. Recently, employees have been temporarily released from their regular work to special response units, making use of their professional knowledge or to simply works as volunteers. More recently, companies additionally contribute to natural disaster responses by making use of their core competencies, offering their goods and services. These core competencies very often focus on logistics, food, medical aid and shelter. All contributions have in common that they are mostly provided in cooperation with state, international organizations (IOs) and civil society organizations.

2.2 **Cash Donations**

The most common type of NCBE to disaster relief is to donate money to IOs, civil society organizations (NGOs) or directly to governments. There are different types of donations; company donations, employee donations and matched funds, where employees donate $100 and the companies match the amount of money with another $100. This amount is usually limited to a specific amount per employee.⁶

2.3 **Volunteering and Delegation**

Recently, more companies have taken part in volunteering programs in which companies exempt their employees from work so they can participate in relief efforts. There are two types of volunteer employee engagement; one, where employees do whatever tasks are needed (the classic type of volunteering), and the second, where employees are delegated as experts, making available their knowledge and expertise.

Companies who have facilitated staff volunteering or participation in disaster response are IBM (hard and software producer), Deutsche Post World Net (logistics) and TNT (logistics).

2.4 **Application of Key Expertise**

More often companies bring in their core expertise to disaster relief efforts.⁷ This is done by either offering their knowledge or material resources or both. The line between companies applying key expertise and those volunteering is blurring, particularly in cases of knowledge provision. The range of offered core competences varies from providing and improving logistical systems, supplying computer hard and software, to consulting business partners. For example, Deutsche Post World Net has set up a partnership with the United Nations Development Program

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(UNDP) and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) to provide “the management of complex logistics and transportation processes”\(^8\) to respond to natural disasters. Microsoft has set up IT system for public and civil society organizations to co-ordinate relief efforts, and Coca-Cola has provided bottled water to people in disaster regions.

The type of NCBE in disaster relief operations has changed significantly over time. Previously, business corporations have limited themselves to cash donations, while today they are more willing to make use of their core business resources: personnel, infrastructure/ material and expertise. Cash donations can be made by any company, whereas only some companies can make their goods and services available. NCBE can therefore be differentiated by the type of business contribution to disaster relief efforts. Some companies are able to provide all types of NCBE, others are restricted to cash donations as their personnel may not be available and their goods and services not suited for disaster relief efforts.

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3 MOTIVATION FOR BUSINESS ACTORS TO ENGAGE IN DISASTER RELIEF

Having described NCBE in disaster relief, the rationale for engagement needs to be understood before further conclusions can be drawn on how to attract more business to this policy area. Interviews with company representatives and a literature review have been the basis for this analysis. There are several things that motivate business actors. They can be divided into implicit and explicit commercial motives. In public, as can be read on corporate websites and sustainability reports, corporations stress that they want to contribute to humanitarian efforts because they are committed to certain ethical principles. They claim they are willing to take on the role of ‘corporate citizens’. Internally, implicit mid to long-term commercial interests are involved as well.

In the past, non-commercial considerations dominated business approaches toward humanitarian affairs with the aim of having an indirect effect on corporate value.9 Before the 1990s, corporate engagement was not defined as corporate social responsibility. When corporations contributed to humanitarian efforts, it was regarded as a public relations campaign or strategic philanthropy.

Over the past two decades societal expectations of corporations have evolved due to corporate violations of human rights, social standards and the environment. This has had repercussions in disaster relief, although the public did not immediately turn its eye to business actors for additional donations. Instead some business corporations have made a virtue out of potential necessity, and looked for areas to exploit in all fields of activity to improve their public image. They increasingly started donating money and looked into their core competencies, assessing whether they could be used in disaster relief.

Being in the spotlight of public attention anyway, a number of companies decided to pro-actively achieve two things at once: first, to fulfil public expectations of being ‘good corporate citizens’ and by behaving truly ethically in helping those who are in great distress in the aftermath of natural disasters, and second to improve their corporate image and benefit from intangibles, such as a better corporate reputation and better employee morale and motivation.10 The case studies have shown that corporate engagement in humanitarian aid is an extension of traditional philanthropic corporate citizenship and core business related corporate social responsibility activities.

There are three drivers for corporate engagement in the field of disaster relief: internal and external drivers as well societal corporate drivers. These three drivers together form the basis for corporate engagement in the field of humanitarian aid. A number of obstacles that prevent corporations from becoming even more active agents in this area can still be considered alien to most corporations and will be discussed in a brief section at the end.

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10 This was stressed by several company representatives in personal interviews.
3.1 The Ethical driver

The ethical driver starts with voluntary contributions, where employee contributions are matched to a certain maximum limit by the employer. These activities are mainly driven by a mix of philanthropic and ethical responsibilities. Corporations demonstrate commitment to ethical behavior in their reaction to what the public considers as right, just and fair. These types of contributions are charitable gifts without direct return considerations, i.e. with no direct financial or material reward to the donor. However, corporations do not engage in matched funding for purely altruistic reasons, they also want to show that they sympathize with public feeling and their employees.11 Although the position in philanthropy rankings is important to some degree, particularly in the US, from an ethical point of view there is no clear direct but rather an indirect yet implicit intangible economic benefit associated with it.

Yet it is interesting that in times of the natural disasters in Myanmar and China in 2008 (which roughly took place at the same time) American companies donated more to the actors involved in the natural disasters in China than in Myanmar. This might imply an indirect bias towards those countries that are of more political and economic importance to the US, stressing a geographical or regional bias.12

3.2 The Stakeholder Driver

Next to philanthropic and ethical considerations, corporations are interested in maintaining a good corporate reputation, particularly in times of increasing criticism about predatory and rampant capitalism. This is achieved by satisfying the expectations of their stakeholders. Corporations engage in uncharted territory in order to increase employee motivation and portray a company as an attractive employer. Moreover, through engagement in disaster relief efforts the brand value of a company and customer attraction might increase, which could lead to higher market shares.13 Interestingly, these effects can occur in the home market and in the foreign market where the disaster has occurred. These effects are hard to measure yet corporations still internally justify their engagement by stressing this rather implicit business case.

In this regard some corporate brands are easier to discern than others. It is more effective from a marketing point of view, when Deutsche Post Worldnet Cargo planes arrive at a capital’s airport in a disaster region or when Coca Cola distributes bottled water directly to earthquake victims, than when Microsoft provides software that organizes food supply and emergency management in general.

Moreover, corporations tend to primarily cooperate with NGOs and United Nations organizations as they are considered the experts in humanitarian affairs and thus convey a high degree of credibility as well as carrying a positive reputation. By cooperating with positively viewed part-

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11 Explanation for ‘matching funds’ given by company representatives.
13 Company representatives indirectly confirmed this line of argument.
ners, corporations can improve their public humanitarian image without giving much in return, as many civil society representatives have stressed and criticized. There is no obligation for companies to engage, they can pick and choose, their engagement is discretionary. Neither UN organizations nor civil society groups can put any pressure on corporations. In most instances, (for example Deutsche Post Worldnet, Coca Cola and Microsoft) it is up to the corporations to decide to what degree they want to become involved.

3.3 The Internal Corporate Driver

In addition to these soft factors, economic motivators with a potential financial pay-off also play a crucial role in corporate investments in humanitarian affairs. Although companies rarely stress these aspects in public (because they are afraid that observers might assume that these aspects govern the degree of involvement in humanitarian relief efforts) economic aspects have to be taken into account when analyzing business engagement in emergency situations. This condition can act as a constraint and as driver at different times.

Profit considerations take on the function of a business driver, because by engaging in humanitarian relief efforts corporations have the chance to enter new markets, train employees under extreme circumstances, boost employee morale, put their instruments and standard operating procedure to the test and improve their relationship with state and civil society actors, which could potentially lead to new business and less public shaming or NGO campaigns against them.

As pointed out in the first section, more natural disasters take place in developing and transformation countries, where there are new business opportunities. In remote regions where the populations are largely computer illiterate, software companies such as Microsoft can set the basis for future business sales (although their citizenship and commercial branches are strictly separate). Microsoft is also involved in the OLPC ("One Laptop Per Child") project, for ethical as well as financial reasons. This is a prototype win-win situation, where the short and long-term utility functions are followed at the same time. When Microsoft provides hardware and software infrastructure in the aftermath of natural disasters, it is expected that underdeveloped societies will become acquainted with modern software technology. Disaster victims of today might be stakeholders of tomorrow, as customers or as a government employee.

Coca Cola’s business case for moving into developing communities is obvious, yet even Coca Cola has an interest in promoting its products and using its personnel in a humanitarian cause. Other companies, such as Deutsche Post Worldnet, deploy personnel in emergency situations, training their employees under severe circumstances and putting their vehicles and management processes to the test. Employees, although being specifically allocated to Crises Response Teams

15 In interviews, this was criticised by several civil society representatives. See also, http://www.thirdworldtraveler.com/United_Nations/Bluewash.html, last accessed December 15, 2008.
17 All these issues were mentioned by company representatives in personal interviews.
19 Comments taken from interview with Microsoft representative, December 2008.
for a limited period of time, can transfer their acquired knowledge to regular business activities. The same holds true for the vehicles and procedures. Logistics companies can derive great benefit from demonstrating best practice in extreme conditions and applying them to regular business proceedings. Moreover, employees are highly motivated because they work for a good cause, increasing employee morale at the same time.20

Furthermore, the close working relationship with public and civil society actors has additional benefits from an economic point of view. Improved relationships with public actors, such as United Nations organizations and governments, increase the likelihood that some companies are more likely to be considered in public procurement. Public organizations that are familiar with the strengths of certain companies and can look back on successful partnerships might also reflect on selecting the same partner for future projects. As a positive side effect, repeated interactions with NGOs can lead to a dismantling of negative stereotypes and a better understanding of the context under which an actor operates. As a consequence, corporations may be less likely to become the target of NGO campaigns. However, companies that get involved in dangerous situations might also run the risk of drawing the public spotlight and attracting additional criticism.

### 3.4 Reasons for Corporate (Non) Involvement in Disaster Relief Operations

Although there are several good and profitable reasons for corporations to engage in humanitarian aid and disaster relief operations, there are also some reasons, from a corporate point of view, that were mentioned in interviews and discussions that still make it hard for them to take appropriate measures. In this section, some of these reasons will be briefly introduced.

#### 3.4.1 Lack of Coherent Engagement Framework

There are plenty of organizational deficits for potential partners in humanitarian aid that make it difficult for corporations to bring suitable contributions if no clear structures or contact points, etc. are established. At times, states and IOs are very bureaucratic, so that transaction costs make it no longer interesting to be engaged. Some corporations are hesitant because they are afraid of becoming competitors with or substitutes for civil society organizations, which would be a disastrous unintended side-effect.

#### 3.4.2 Lack of Specialized Disaster Relief Knowledge

Companies who have never engaged in humanitarian aid before have to overcome some obstacles before an engagement can be considered. Employees need specialized training which takes into consideration varying disaster relief circumstances and require practical skills like first aid, psychological preparedness or intercultural competencies.

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20 Descriptions are taken from interview with Deutsche Post Worldnet representative, June 2008.
3.4.3 Cultural Divide between Public/Civil Society and Private Actors

However, once corporations have engaged in partnership projects with state actors or civil society organizations, they have, despite different work mentalities, learned about the different foci and motivations in the work of those actors. Despite this, corporations still sometimes encounter strong skepticism from state and civil society organizations about potential collaboration. These actors often assume that corporate actors have a hidden agenda and no long-term commitment and rather a marketing approach. In particular, civil society organizations are afraid that corporations may pull out if engagement becomes too costly or too politically sensitive. State actors, especially those from development agencies, still very much call into question the true commitment of corporate actors. From their point of view, partnership activities between traditional actors and business can hardly be considered cooperation among equals because they do not share the same share burden.

3.4.4 Product & Service Specificity

Some companies simply do not have goods and services appropriate and required for disaster relief efforts. Even if desirable, not every company has core competencies to offer that are desperately needed in the aftermath of natural disasters. In particular, companies from the food, logistics, infrastructure, IT and pharmaceutical industries are more suited than other companies that have to restrict their engagement to cash donations and to some degree of personnel volunteering.
4 DONOR POLICIES ON NCBE IN DISASTER RELIEF

A significant number of businesses actors increasingly consider contributing to disaster relief efforts yet it still remains a niche phenomenon, especially when it comes to NCBE business engagement in cooperation with the public sector. Business actors do not regard this particular field of humanitarian assistance as a typical area for business engagement. If they decide to, they mainly approach civil society organizations to channel their monetary contributions. This is due to the fact that state actors have not yet set up appealing incentive mechanisms that might encourage additional business engagement. A number of reasons, including the lack of a coherent engagement framework, a cultural divide between public and private actors, as well as different policy approaches (need versus supply driven) account for the slow development of public-private cooperation in disaster relief compared to other forms of public-private cooperation.

Keeping in mind that these factors constitute the main reasons that prevent private actors from engaging with public actors in disaster relief efforts, it is also important to take a look at the other side, the donor. Do public or civil society organizations provide enough and proper incentive structure to win over corporations to NCBE in disaster relief efforts? It is helpful to compare the development assistance donor policies of three major countries (Germany, UK, US) and the EU. In general, the US approach is less hesitant, more open and therefore slightly more advanced on business engagement. Public actors in Germany and the UK are more skeptical yet they have rarely been approached by private companies. They barely see the need for extra corporate engagement, because of a lack of functional benefits from business contributions in disaster relief operation. To illustrate the differences across the Atlantic, the German/ GTZ, the British/ DFID and the EU approach to non-commercial business-engagement is compared with the US/ USAID approach.

4.1 Germany

In Germany, first experiences have been formed with business involvement in non-commercial disaster relief, mostly focusing on disaster preparedness. In general, neither the Foreign Office nor the Federal Ministry for Economic Cooperation and Development (BMZ) have yet devised a comprehensive strategy. In the aftermath of the Tsunami and its consequences, four public-private partnerships were set up by the GTZ in Indonesia in infrastructure, micro-finance and education. These partnerships have come into being due to good personal contacts and have not been part of a systematic endeavor. The four projects were organized as part of the public-private

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22 The Foreign Offices supervises a council (Koordnierungsausschuss Humanitäre Hilfe) that coordinates humanitarian aid in cooperation with NGOs. www.auswaertiges-am.de/diplo/de/Ausenpolitik/Themen/HumanitaereHilfe/Ubbersicht.html, last access October 20, 2008). For an overview of the current German Approach to Humanitarian Assistance: http://www.weltpolitik.net/Sachgebiete/Deutsche_Aussenpolitik/Grundlagen/Grundlagen/kolerus.html, last access November 3, 2008.
partnership program of the GTZ. Apart from these first four examples which were coordinated by the Department for Emergency Preparedness (‘Katastrophenhilfe in der Entwicklungszusammenarbeit’), no business involvement in emergency assistance has been recorded (‘Entwicklungsorientierte Nothilfe(EON)’). The office for emergency assistance has been approached several times, but mostly about commercial types of business engagement. In the case of the hypothetical pro bono business offer, it would have to meet the same criteria as any other project proposals.

4.2 United Kingdom

In Great Britain there is no official policy on the involvement of business actors in non-commercial disaster relief. However, there are a number of standing arrangements with business actors, such as heavy lift air transport or private protection in conflict areas. In these instances business actors engage with genuine commercial intent. In addition, a partnership approach is only followed in connection with multilateral organizations and NGOs. In the case of a business inquiry in the field of traditional humanitarian assistance, Department for International Development (DFID) would follow a pragmatic approach, deciding on a case by case basis whether the offered products or services would be of any help in a given situation. These examples are rare and no record has been established. In general, at DFID no systemic business involvement approach in disaster relief has been introduced. Requests to be involved in disaster relief operations are managed ad hoc.

4.3 United States of America

USAID introduced the Global Development Alliance (GDA) in 2001. As part of its business model for public private partnership, it focuses on leveraging private sector resources in traditional fields such as infrastructure and environmental protection, and also in natural disaster and complex emergencies. USAID recognized quite early that partnering with the private sector leverages new and significant resources that can increase the impact of its operations. In the beginning, cooperation with companies occurred separately from USAID’s core programs. Since then, private sector involvement has gradually become integral, although it is still far from being

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23 There are different types of public-private partnerships that the BMZ makes use of; integrated ones and those that are handled by a PPP facility. [http://www.bmz.de/de/themen/wirtschaft/privatwirtschaft/ppp/index.html?PHPSESSID=9485974c7dd02ed672da3a89e32f174](http://www.bmz.de/de/themen/wirtschaft/privatwirtschaft/ppp/index.html?PHPSESSID=9485974c7dd02ed672da3a89e32f174), last access October 15, 2008.

24 [http://www.gtz.de/de/themen/uebergreifende-themen/nothilfe/1817.htm](http://www.gtz.de/de/themen/uebergreifende-themen/nothilfe/1817.htm), last access October 20, 2008.

25 [http://www.gtz.de/de/leistungsangebote/2422.htm](http://www.gtz.de/de/leistungsangebote/2422.htm), last access October 30, 2008.

26 Interview with GTZ representative. September 2008.


28 Telephone Interview with DFID representative, November 2008.

29 DFID offers a number of Funding Schemes for not-for-profit organizations and the private sector. [http://www.dfid.gov.uk/funding/](http://www.dfid.gov.uk/funding/); last access October 16, 2008.


considered a mainstream approach. Currently, the GDA is attempting to devise a systemic approach around the experiences in the Tsunami in 2004, the South Asia Earthquake in 2005 and the China Earthquake in 2007. In all of these events, GDA collaborated with dozens of private partners in raising money, and made use of the core competencies (various goods and services) of private companies. Interestingly enough, USAID has set up mechanisms and has experience in many different phases of natural disasters, such as preparedness, acute response, recovery, reconstruction, etc.

4.4 European Commission and Union

The EU has so far remained somewhat hesitant about the role of business in disaster relief efforts. The EU has only engaged with actors who pursue a non-profit aim. As a result, the EU has cooperated only with civil society organizations. The European Commission’s humanitarian aid department (DG ECHO) stated recently in a strategy paper that it will also continue its reflection on other themes and sectors, such as protection, gender, environment and possibly the role of the private sector in humanitarian aid, hinting that it does not rule out business participation in humanitarian aid completely. As well as victim support as a response to sudden-onset natural disasters (by applying the fast track primary emergency procedure within 24-48 hours, established in 2001), ECHO has so far concentrated its efforts on disaster preparedness. In 1996 it launched a specific program called Disaster Preparedness (DIPECHO) which has been expanded and now covers six disaster prone regions. The EU has examined its actors engaged in disaster relief efforts. A study by ECHO outlines the different approaches taken so far. ECHO’s core mandate and its DIPECHO program, as well as DG RELEX (European Commission’s External Relations Department) and DG Development efforts show that the “overall picture can[] be described as piecemeal, ad-hoc, and partly overlapping.”

Moreover, the EU is highly interested in improving and scaling up cooperation with its main humanitarian partners, non-government organizations. They decided to assist civil society organizations by strengthening their response management capacity and accountability mechanisms. In a number of official documents the EU stresses that a number of EU projects are carried out either by non-governmental organization or specialized United Nations agencies, such as UNICEF, OCHA, WHO and WFP and local NGOs and authorities, with no particular mention of business as a potential strength in disaster relief efforts.

32 Telephone interview with USAID representative, November 2008.
5 FUTURE POTENTIAL FOR NON-COMMERCIAL BUSINESS ENGAGEMENT IN DISASTER RELIEF

Corporations on both sides of the Atlantic in general do not regard themselves as the key actors to address hardship and mitigate suffering in disaster relief operations. However, there are a number of situations where companies can make significant contributions, particularly in times of staggering official development assistance (ODA) rates in OECD countries. The most recently published numbers of the OECD in early December 2008 show that the total ODA of all OECD countries is decreasing. Looking at the 2007 figures, only a few countries allocated more ODA than in the past, with the EU and Germany being notable exceptions.

5.1.1 Figure 2: Official Development Assistance of select Donors

<table>
<thead>
<tr>
<th>Year/USD million</th>
<th>1996-97</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>6 729</td>
<td>7 534</td>
<td>82</td>
<td>435</td>
<td>291</td>
</tr>
<tr>
<td>UK</td>
<td>3 316</td>
<td>7 905</td>
<td>772</td>
<td>459</td>
<td>9 849</td>
</tr>
<tr>
<td>US</td>
<td>8 128</td>
<td>19</td>
<td>27</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>EC</td>
<td>5 358</td>
<td>8 704</td>
<td>9 390</td>
<td>245</td>
<td>774</td>
</tr>
<tr>
<td>Total DAC</td>
<td>52</td>
<td>79</td>
<td>107</td>
<td>104</td>
<td>103</td>
</tr>
</tbody>
</table>
The statements made by governmental representatives at the “Follow up International Conference on Financing for Development” in Doha, Qatar (29.11.-02.12.2008) echo severe skepticism about whether the current financial crises have had even more of an effect on development aid than expected, keeping in mind that all preceding financial crises had strong negative repercussions on OECD countries’ willingness to keep the same ODA level in the short-term or make even new commitments in the mid and long-term.39

Despite decreasing ODA and continuous (and increased because of the financial crises) criticism of transnational companies in general (whether they are the only ones who benefit from expanding economic globalization or not), companies are considered ‘natural’ candidates to contribute to humanitarian aid.

Critical issues that will determine the future engagement of corporation in disaster relief efforts will be discussed here before several recommendations, both general and specific, are put forward to foster business engagement in disaster relief efforts.

5.2 Linking Philanthropy and Corporate Social Responsibility

On the whole, companies still primarily consider themselves as profit-making entities. They do not want to be regarded as ‘political’ actors which may carry the burden and risk of economic actors and attaches social and environmental responsibilities to their business activities. Companies instead prefer a “pick & choose” strategy. They prefer to decide on their own when they think it is suitable or in their interest to contribute to humanitarian aid efforts. Following classic CSR approaches, such as Archie Carroll’s pyramid of social responsibility, ethical and philanthropic considerations constitute the least important of all companies’ needs.40

Based on this traditional view, if only economic and legal responsibilities are met, companies think about what is right, just and fair or whether they can act as good corporate citizens. Analysis of corporate contributions to disaster response situations has shown that this classic differentiation has changed. In situations after natural disasters, companies have realized that economic, ethical and philanthropic responsibilities overlap. Although the major part of this study has focused on non-commercial aspects of business engagement, it would be naïve to analyze business activities without looking at possible direct and indirect links to their economic interests in mid to long-term perspectives. Where previously companies mainly restricted their business engagement in humanitarian aid to cash donations or to release employees from work, it is only recently that have they also made use of their core competencies, and made goods and services

38 http://www.oecd.org/document/9/0,3343,en_2649_34485_1893129_1_1_1_1,00.html, last access December 5, 2008
39 The outcome documents include a strong call to meet existing commitments; however observers remain very suspicious whether OECD countries follow up their words with deeds. http://daccessdds.un.org/doc/UNDOC/GEN/N08/630/55/PDF/N0863055.pdf?OpenElement, last access, December 5, 2008
available. The former approach refers to Corporate Citizenship activities, whereas the latter relates to Corporate Social Responsibility activities.

This differentiation goes back to the classic distinction, about how money is made (core competencies), and how money is spent (traditional philanthropy). In the past, corporate contributions to humanitarian aid, such as donations, have rested on an ethical argument. As a side effect the public image of a company is raised, thereby increasing intangible assets of a company (e.g. a company would be regarded as an attractive employer). Nowadays, the overall situation has changed somewhat; although some companies still very much separate philanthropic and core business activities, the dividing line is blurring and economic aspects have gained prominence. Companies still want to primarily help (for example by matching funds), but if possible, to also either increase their intangible assets and establish or lay the basis for new sales and market opportunities.

In both cases, where one approach is more explicit than the other, companies attempt to gain an implicit or explicit competitive advantage over other companies. The three introduced company case studies display companies that have not only engaged in philanthropy but have increasingly offered their core competencies, such as logistical infrastructure, beverages or software. These examples are regarded as exceptions, not the rule.

In contrast, donations can be made by every company, independent of its product portfolio.

**5.3 Beyond Corporate Donations: Application of Core Competencies**

Bearing in mind that not all companies have products and services needed in disaster response situations, the number of companies that can employ their core competencies is limited and most companies’ involvement in disaster relief efforts are mostly limited to cash donations. Interviews with donors and civil society organizations have shown that companies so far only rarely have offered their core competencies to humanitarian aid operations, but if they did so they have had commercial intent. In these instances those companies with a commercial rationale usually had a product portfolio that met the needs of traditional humanitarian aid demands. Offered products have included portable shelters or water treatment plants. Experiences with companies in a commercial setting have been rather negative where companies have made unsolicited offers. They have been more positive if company products and services have been made use of in classic tender and bidding competitions.

The Coca Cola, Deutsche Post Worldnet and Microsoft examples give proof that valuable business contributions to humanitarian aid operations do exist. So far, companies have (in a non-commercial fashion) either cooperated with civil society operations or UN programs and agencies, but not with national donors, such as the DFID, GTZ or USAID. These examples have been mostly supply-driven, focusing on the products and services available in a company. Then again, the offered product and service were tailored to the particular needs of the particular disaster situation.

**5.4 5.3 Business Engagement and Humanitarian Principles**

It still remains a controversial issue whether business engagement in humanitarian aid can meet fundamental humanitarian principles, as there is always an implicit business incentive. The pres-
ence of a business objective alone would already violate the humanitarian principle of independence, which stresses “the autonomy of humanitarian objectives from political, economic, military or other objectives” (see “The European Consensus on Humanitarian Aid (ECHA)”, 2.1/14.). Working in cooperation with the UN or civil society organizations would at least guarantee that the basic requirements of humanity, neutrality and impartiality are at least practically fulfilled. Business contributions to humanitarian aid do meet, if properly carried out and monitored by the partners of a project, most humanitarian principles because the suffering aspect is addressed, no party is favored and the humanitarian aid is provided on the basis of need, without discriminating against any party.

In light of an increase in natural disasters and decreasing ODA, it is questionable whether the voluntary, free of charge offers of companies can and should be turned down, particularly if the criticism rests on the argument that there is a hidden business agenda, which for some traditional humanitarian actors goes against ‘the humanitarian spirit’. It has been shown in a number of examples that if business contributions are channeled and processed through the right quality monitoring mechanisms, they might constitute a useful supplement to public and civil society strategies and actions. At first glance corporate cash donations are less problematic than accepting volunteering offers or other products and services of companies, yet a closer look reveals that companies might offer solution packages that are more sophisticated and to some degree more efficiently organized than those carried out by non-profit organizations. In general, it has to be kept in mind that the end does not justify any means but the victims of a natural disaster are entitled to every type of adequate help.

In the three natural disasters covered here, the core humanitarian principles – with the partial exception of independence - were adhered to. Companies did not deliberately violate the principle of humanity, and remained impartial in absolute terms. A closer look reveals that business engagement was partially dependent on a home region and local presence effect. In those regions, close to home (e.g. Microsoft’s and Coca-Cola’s NCBE’s engagement in Hurricane Katrina) and those that occur in regions where a corporation’s own business activities figure prominently (e.g. all three companies’ NCBE in Myanmar and China), companies made disproportionate decisions not whether to engage but to what degree they should get engaged, in a manner very similar to the country’s deliberation.

### 5.5 Donor and Civil Society Concerns

Although there are some advantages to including business contributions to humanitarian aid, public and civil society organizations remain skeptical because the business culture may not be compatible with humanitarian motives and principles. It is claimed that companies are at times not willing to commit to long-term arrangements, instead deciding on a case by case basis whether and to what degree they get involved in a disaster relief operation. Depending on the

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41 The core principles, found in the Red Cross and NGO Code of Conduct and in GA Resolution 46/182 are derived from the Fundamental Principles of the Red Cross, particularly principles I (humanity), II (impartiality), III (neutrality—in the case of the UN), and IV (independence).


43 Ibid. 23.
region and country where the disaster takes place, companies might be, like states depending on their business rationale, more or less willing to engage.

Business is traditionally criticized for not being sufficiently prepared to engage in humanitarian aid operations. It is argued that humanitarian operations are different from regular business operations in that it calls for additional skills and specialized training. Emergency situations in the aftermath of a natural disaster require special skills, such as psychological preparedness and knowledge about the humanitarian aid realm.

Non-profit actors are concerned that local actors and resources are not adequately drawn on (see “ECHA”, 3.2./35; 3.4./48). Public donors and civil society organizations criticize business actors for not being interested in sustainable and scalable solutions. Very often business actors do not think about replicating applied approaches. Owing to a prevalent business rationale, corporations are accused of not being interested in enabling local actors to cope with the next humanitarian crises, or in local capacity building (see “ECHA”, 3.4./53).

The case studies (particularly Deutsche Post Worldnet with its disaster response teams (DRT) that are specially trained and prepared and Microsoft’s provision of IT networks that are installed in close cooperation with civil society organizations) prove that the general criticism that corporations are not interested in sustainable approaches can be partly negated. Coca Cola has started shifting its approach, not only providing bottled water but lately also engaging in water supply and public sanitation programs. It does have to be kept in mind that these selected positive cases cannot be generalized, and that in different phases of a natural disaster different contributions are needed. At times ad hoc, unsustainable help might be the most appropriate instrument.

5.6 Effectiveness and Accountability

It is difficult to disentangle the potential costs and benefits for either type of NCBE, not the least because corporations only make transparent the value of cash donations and hardly make any detailed comments on estimations about the disposition of personnel and infrastructure, preferring to stress the ethics of acting as corporate citizens. Companies put out press releases in which they describe their practical actions but they rarely measure them. They rarely set specific targets for their NCBE in disaster relief operations and they are very hesitant to make any statement on their performance, whether positive or negative. As a result, in comparison to state actors and civil society organizations they cannot be held accountable for any negative developments. With this lack of transparency corporations run the risk of attracting public criticism. All three case study companies have made their contributions public in a quite transparent manner. However, none of them reported on the degree of impact that their NCBE had on the ground.

44 The OECD statistics show that member states set different emphases in different countries according to their political priorities, for example the US has focussed its humanitarian aid on Iraq, Nigeria and Cameroon, whereas the UK focussed on Nigeria, India and Afghanistan. Source: http://www.oecd.org/document/9/0,3343,en_2649_34485_1893129_1_1_1_1,00.html, last access November 3, 2008)
5.7 Complex Emergencies: Business, Natural Disaster and Conflict

Overall, natural disasters seem to have nothing in common with conflict zones. However, quite often a country or region turns into a conflict zone after a natural disaster.\(^{45}\) In the aftermath of a natural disaster, different types of goods and services are required to zones of conflict. Companies that are familiar with engagement in zones of conflict might be very well-prepared and experienced in providing advice in disaster relief operations. During or after a natural disaster in a conflict zone, it is very complicated for companies to do business, i.e. stimulate growth and development, and to remain neutral and impartial.\(^{46}\) In the past, businesses have rarely actively engaged in disaster relief efforts when a natural disaster has occurred in a conflict zone as they did not want to be regarded as taking sides with either party to the conflict. However, companies in conflict zones are increasingly engaging in governance contributions, beyond their regular commercial activities.\(^{47}\) In terms of security governance, they contribute to political order by fighting corruption or enhancing transparency. They engage in establishing environmental standards, community development or equal distribution of economic goods.

Although all three case study companies did not directly engage in conflict areas, the politically sensitive situations in Myanmar and China showed that business actors can be regarded as impartial, because of their headquarters’ origin or because they cooperate with both parties in the conflict.

On the whole donor, as well as civil society, organizations are concerned that the supply-driven, efficiency based approach by business could dominate the needs-based, humanitarian approach by traditional humanitarian aid actors. Without business taking into account that the situation on the ground after natural disasters determines what is needed in terms of humanitarian aid, their non-profit counterparts will remain skeptical about whether business contributions can be a predictable and valuable add-on or instead will be considered a volatile, unsteady, ad hoc contribution to humanitarian aid.


6 CONCLUSIONS AND POLICY RECOMMENDATIONS

This study has shown that donors and civil society organizations that have already been engaged in partnerships with business for quite some time realize that it takes substantial time, effort, and patience to nurture and care for these new types of cooperation in humanitarian aid and disaster relief.

Even if a partnership is established, it takes additional time and effort to manage it in order to meet the obligations agreed on in a partnership agreement. For these reasons substantial necessary preparations should be made before a natural disaster takes place. Only with a solid common understanding about what can be done with collaborative efforts, and only with the establishment of thorough and elaborate arrangements before a disaster occurs can mutually beneficial working relationships between all parties be guaranteed. Based on this, there are two recommendations: The first provides recommendations for a general engagement framework that lays out the general responsibility of corporations and describes the possibilities and limitations of NCBE in disaster relief operations. The second set of recommendations looks at more detailed measures that should ensure a smooth course of action between donors, civil society organizations when a natural disaster occurs. Together they should allow for more efficient and effective humanitarian aid in the aftermath of natural disasters.

6.1 Common Frameworks:

6.1.1 Create a Business-Donor Consensus on Humanitarian Aid

A common framework for non-commercial business engagement in disaster relief operations should be devised, not only to define common objectives but also to outline suitable business interpretations of fundamental humanitarian principles. Being aware of the fact that there is a thin line between commercial and non-commercial business engagement, it has to be clear from the outset to all involved (traditional and new) parties what the main guiding principles for corporate engagement are, and how ‘good humanitarian donorship’ is defined in situations of natural disasters. At best, donors, business and civil society organizations should come together on an annual basis and discuss pertinent issues before natural disasters take place. After a screening of potential corporate donors and their assets (s. II.1), donors should invite potential corporate contributors for an open brainstorming exercise with the goal of reaching a general consensus on modes of engagement. Possible outcomes could be different scenarios for given circumstances (i.e. type of natural disaster in a certain geographical region).

6.1.2 Establish a Standing Multi-stakeholder Committee on Humanitarian Aid

Procedures have to be set up that facilitate the effective and efficient channeling of corporate funds and goods and services to the benefit of the people in need in the aftermath of a natural disaster. Based on the finding that most non-profit and profit actors do not know each other and are simply overworked in times of natural disasters, a stakeholder committee and a contact point should be set up. This committee should consist of all relevant parties (business representatives, civil society representatives, donor representatives, plus other experts). In regular working meet-
ings, workshops, etc., best practice and lessons learnt about past natural disasters will be exchanged, discussing, among other things, the pros and cons of business involvement. It has to be acknowledged that the debate on business involvement should not be restricted to monetary donations, but should also focus on core competencies of companies, including goods and services needed in the aftermath of natural disasters.

6.1.3 Ensure Policy Coherence in Natural Disaster Response

Public actors, such as IOs and governments, should seek to build synergies among its various institutions involved in the area of disaster relief, in line with the LRRD (Linking relief, rehabilitation and development) approach. Business engagement in disaster response constitutes a cross-cutting issue that includes many different public actors with varying expertise on the inclusion of corporate actors. Public actors, such as the EU, should therefore mainstream disaster preparedness in its development programs in order to make disaster response more effective and close the gap between humanitarian aid, development aid and corporate engagement. It should be considered whether humanitarian aid and natural disaster should be established as a separate policy area covered in the EU Report on Policy Coherence for Development. This would be an excellent instrument to review the progress achieved, to promote the debate on the inclusion of business engagement in disaster relief, and to establish a meaningful division of labor between public and private actors.

6.2 Detailed Measures

6.2.4 Business Contributions at Different Phases of a Natural Disaster

For each phase of a natural disaster (Preparedness/ Acute Response/ Recovery/ Reconstruction) a list of potential corporate contributions should be compiled. In times of emergency all parties (the donor, civil society organizations as well as corporations) should have a basic knowledge about appropriate contributions and possible types of cooperation in a given phase of a natural disaster. Sometimes cash donations are more appropriate than delegation of corporate staff. In other situations particular products and services might be more appropriate than pure monetary support. A stock take and mapping exercise of potential corporate contribution would be quite helpful to examine which companies might be of particular added value in a given emergency situation.

A directory of potential business, civil society and donor partners could be set up through a contact point which could facilitate the matching of actors who could provide expertise, monetary funds, products and services. A collaborative approach would enhance the overall effectiveness of the implementation of humanitarian aid on the ground.

6.2.5 Application-oriented Training of Corporation in Humanitarian Aid and Disaster Relief

Being aware of the particular challenges in the aftermath of natural disasters on the one hand, and the difference between humanitarian aid and regular business transactions on the other, it is recommended that business actors become more acquainted with the particular demands of implementing humanitarian aid. All actors that have so far participated in new types of partner-
ships involving corporate actors have stated that it takes quite some time to set up disaster relief procedures and intensive efforts to keep a system up and running. Collaborative training efforts of traditional humanitarian aid actors and business actors could reduce transaction costs during a collaborative disaster relief operation, thus improving the overall effectiveness of a project. In general, a better understanding of the different logic of action (humanitarian vs. business rationale) of all actors could better enable a needs assessment before an operation as well as the implementation of humanitarian aid efforts on the ground.

6.2.6 Evaluation of Donor-Business Partnerships

Whether collaborative donor-business (civil society) operations in disaster relief have been successful and to what degree different stakeholder groups have been involved in the implementation process needs to be examined. The establishment of a total quality management approach would enable all actors to discern under which circumstances partnership provided good outcomes. To this end, analogous to the OECD Paris Declaration on aid effectiveness, a practical action-orientated roadmap to improve the quality of aid and its impact on development should be set up. As the examples have shown, the inclusion of corporations is not only input-driven but must also comply with basic requirements of aid effectiveness, such as relevance, effectiveness, efficiency, development-sensitive effects and sustainability. In addition, partnership with business should also aim to meet the criteria of coherence, complementarity and coordination.

All involved actors, donors, civil society organizations and business have to overcome common stereotypes and clichés about each other in order to be able to tap the full potential of non-commercial business engagement in humanitarian aid. Even being aware that corporations require a business case to be involved, there are multifaceted possibilities of devising win-win situations. So far, misunderstandings of organizational culture based on a lack of knowledge or singular negative experience, have precluded the possibility of successful partnerships with mutual benefits. It also needs to be stressed that in most circumstances, apart from cash donations and matching funds, the number and type of potential business partners in disaster response is very limited due to the specific requirements on the ground. Companies in the field of transportation, communication, medicine, construction, etc. are more suited than others because they offer important products and services that are needed in disaster relief operations. The contributions of business to development and disaster relief are far from obvious but, as shown in the empirical illustrations, donor-business and business-civil society partnerships offer enormous win-win potential that should be made use of more frequently. Clear guidelines that have been set up before a natural disaster takes place will guarantee that no involved actor takes unilateral advantage of the other.

Government and civil society actors, the traditional actors in development and humanitarian aid, should be aware that there will always be two unequal drivers for companies to engage in development and humanitarian aid: a potential business case in the near or far future and general ethical considerations that will eventually be reflected in the corporate strategy. Appropriate ac-

48 http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html, last access December 6, 2008.

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countability measures should guarantee that ethical consideration still dominate the business case. For these reasons, the EU and other public donors should acknowledge that those actors with the greatest capacity to act have the greatest ability and should be encouraged to do so. The EU and other public actors as well as civil society organizations should therefore actively welcome and promote the engagement of business actors in order to tap their full potential in disaster relief operations to the benefit of the people in need.

7 ANNEX: SURVEY OF FOUR NATURAL DISASTERS:

7.1 Tsunami in East Asia in 2004

On 26 December 2004 large parts of South-East Asia were hit by a tsunami created by an underwater earthquake measuring 9.0 on the Richter scale. The waves hit the coasts of Sumatra, Sri Lanka and Thailand, causing the death of more than 230,000 people. Apart from the high death toll and thousands of people suffering due to the destruction of their livelihoods, the disaster had a significant impact on the environment as well. Coral reefs and marine and coastal habitats were destroyed, which were the main income for fishing communities along the coast. Due to the flood of sea water across agricultural land, harvests for the following years were destroyed. The flood also affected the groundwater, so people were in need of potable water. Huge efforts were made to provide financial and non-financial remedies needed in the aftermath of the destruction.

7.1.1 A Comparison of non-business and business relief providers

After the tsunami hit South East Asia, external state actors supplied most of the food, emergency and medical aid. They focused their engagement on response coordination and reestablishment of infrastructure, e.g. building water purification plants and houses. Several states undertook long-term missions to rebuild the basic needs for people's livelihoods. Provision of food, emergency and medical aid, such as the supply of tents, blankets, sanitary facilities and antibiotics, has been the main task of international organizations (IOs). IOs engaged in the response coordination and supply of materials required for general living as well as the establishment of disaster preparedness measures, such as early warning systems. NGOs provided first of all food and medical aid and contributed to the response coordination immediately after the Tsunami. Later they were engaged in several long-term missions, focusing on humanitarian aid, reconstruction and capacity building. In contrast to this, business-actors primarily made monetary donations and were involved in logistics, such as aircraft and vehicles to transport urgently needed material, such as emergency and medical aid. Business has subsequently provided IT infrastructure and communication structures, e.g. built websites for tracking casualties and set up platforms where volunteers were able to register with NGOs.

a) Deutsche Post Worldnet

Within a day of the tsunami hitting the Asia Pacific region, Deutsche Post Worldnet had provided free delivery of relief materials via planes, vans, flight charters and staff volunteers. Its Airport Emergency Team (AET) was deployed and assembled resources and expertise to set up

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53 This assessment is primarily based on UN OCHA reports http://ocha.unog.ch/fts/reports/daily/ocha_R10_E14794_asof_08082117.pdf, last access August 2008.
working flows at airports so that relief efforts could be sent directly to regions in need.54 Deutsche Post Worldnet also provided storage space in its warehouses for relief material. Deutsche Post World Net donated US$1 million and its employees’ donations were around US$500,000.55

b) Coca-Cola 56

The Coca-Cola Company engaged in emergency aid after the tsunami hit South East Asia. The company coordinated with government and non-government actors to provide bottled drinking water as well as basic food, tents, clothes and medical supplies. Later, Coca Cola also engaged in water supply and public sanitation programs for several villages. Coca-Cola provided transportation and distribution assistance as well as $2.1 million in cash donations (including US$50,000 in contributions from Coca-Cola employees and affiliates).

c) Microsoft57

Microsoft has been involved in affected countries by building partnerships with governments, NGOs and IOs. Measures such as the development of websites to give volunteers the possibility of registering for work with NGOs, as well as setting up a satellite communications structure and creating a casualties tracking application have been carried out. Within two days of the disaster, Microsoft gave US$250,000 to local relief agencies in Asia. Later on it made a corporate contribution of US$2 million to international relief agencies and matched the funds of over 8,000 Microsoft employees who donated more than US$2 million for relief efforts. In addition, employees engaged in food and clothing collection as well as the purchase of relief material and sending it to affected areas.

### 7.2 Hurricane Katrina in the US in 2005

Katrina, a Category 5 hurricane, formed over the Bahamas on August 23 in 2005 and hit the north-central Gulf Coast of the United States. It was the costliest hurricane in the United States’ history – the storm is estimated to have been responsible for US$81 billion in total damages.58 At least 1,833 people59 lost their lives in this hurricane and in the floods caused by Katrina, making it the deadliest U.S. hurricane since 1928. It damaged power supply lines leaving 2.6 million people without electricity for several weeks. People had to be evacuated and had to endure severe material damage or loss of their houses and lived without income for months.60 People that remained in the hurricane affected area faced dehydration for weeks, due to the lack of uncontaminated potable water, and illnesses caused by food poisoning due to the floods in the aftermath. The lack of shelter and sanitary facilities and growing concerns that refineries and sites of chemic industries could have polluted the floodwaters triggered the need for immediate technical and medical help.

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7.2.2  A Comparison of non-business and business relief providers

In the aftermath of hurricane Katrina, the US government and IOs immediately provided emergency aid, food and logistic supply. Later on, IOs engaged primarily in re-establishing IT and communication infrastructure, whereas the state sent mainly relief personnel and technical equipment to manage the immense masses of water following the hurricane, such as pumps, boats and even troops. NGOs were primarily providing food and emergency aid whilst upholding communication channels, such as broadcasting radio programs with latest news about damages, casualties and relief operations. Most of the business engagement in relief efforts was in provision of logistics, medical aid and food supply. Some businesses also provided help in response coordination and IT infrastructure.

a) Deutsche Post Worldnet

Deutsche Post Worldnet made use of its standby Disaster Response Team (DRT), which works closely with UN OCHA. The DRT team supported USAID and the Office of Foreign Disaster Assistance (OFDA) with transportation and logistical expertise. As well as unloading and reloading aircrafts and sending shipments to the correct locations, DRT delivered supplies from all over the world to the affected areas by plane. DHL contributed direct donations of US$1 million to the American Red Cross, in support of the DRT and matched US$200,000 of employee donations.

b) Coca Cola

In the aftermath of Hurricane Katrina, The Coca-Cola Company shipped more than 30 million bottles of filtered water, juice and other beverages to relief organizations. Additionally, Coca-Cola Company and Foundation together made a US$5 million cash contribution to several relief organizations.

c) Microsoft

Microsoft donated US$1 million to international organizations and funds immediately after the hurricane for relief efforts, while employees contributed with over US$1.7 million to disaster relief efforts; this amount was matched by the company. Later on Microsoft donated another US$1 million to organizations involved in rebuilding affected areas. Additionally Microsoft contributed US$5 million through technology assistance, software donations and services committed to the relief.

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61 This assessment is primarily based on UN OCHA reports


64 See http://www.microsoft.com/about/corporatecitizenship/citizenship/giving/programs/katrina.mspx, last access August 2008.
7.3 Cyclone Nargis in Myanmar in 2008 & Earthquake in Sichuan, China in 2008

On 2-3 May 2008 the worst natural disaster in the history of Myanmar, cyclone Nargis, hit the country with peak winds of 200km/h.65 The cyclone destroyed the homes of at least 2.4 million people, with over 134,000 dead or still missing. With an estimated damage of over US$10 billion, it is the most damaging cyclone ever recorded in this region.66 The enormous flooding destroyed buildings and polluted potable water. As a consequence, people were without shelter and collected rainwater for drinking. Nargis destroyed the main income source, such as fishing boats, fish-processing facilities and paddies, for many people.67

The earthquake measuring 7.9 on the Richter scale68 which hit the province of Sichuan, China, on 12 May 2008 caused massive casualties and destruction. With almost 70,000 people dead, more than 350,000 injured and five million homeless, it was the deadliest earthquake in China since 197669 and the costliest natural disaster in China, accumulating to estimated disaster relief costs of US$150 billion.70 The infrastructure, such as roads and electricity supply, had been damaged terribly, making it even harder for rescue teams to reach people in need. River blockages and landslides caused ‘quake lakes’, polluting potable water.71

7.3.3 Comparison of Relief efforts by non-business and business providers72

In the aftermath of Cyclone Nargis, states and IOs were primarily engaged in the provision of food supply for all people concerned. State actors, like Canada, coordinated the response of humanitarian partners and donors, and provided emergency aid (donating tents and material needed to set up minimum living standards), medical supplies and rebuilding of infrastructure. Other state actors provided logistics, e.g. set up flights of relief supply materials and established basic needs for livelihood (such as repairing boats for fisheries, providing machinery and animals for farmers). IOs focused on rebuilding local infrastructure and securing people’s livelihoods followed by response coordination, emergency aid and medical supply. NGOs were first of all engaged in emergency aid and food supply. Business actors mainly contributed medical supply then emergency aid and food donations as well as providing logistics. IT infrastructure, such as donating laptops to NGO staff working in the affected areas, was solely provided by business actors.

71 See http://www.guardian.co.uk/world/2008/aug/15/chinaearthquake.china, last access August 2008.
72 This assessment is based on: http://ocha.unog.ch/fs/reports/daily/ocha_R10_E15549_asof_08082117.pdf, last access August 2008.
In the aftermath of the earthquake in China, many states provided emergency and medical aid as well as food supply, as did IOs. NGOs engaged first of all in food supply and emergency and medical aid. The International Red Cross took over an important role in response coordination. Business’s contributed mainly to emergency and medical aid, however some engaged in setting up IT infrastructure and provided logistics as well.\(^73\)

**a) Deutsche Post Worldnet**

In Myanmar, the DRT of Deutsche Post Worldnet managed a humanitarian warehouse for three weeks by providing technical expertise and equipment. From this facility supplies were directed through several local NGOs.\(^74\) Deutsche Post Worldnet also donated 93,000€ for disaster relief.

In Sichuan, China, Deutsche Post Worldnet provided help in the form of a cash donation of nearly €100,000 for the relief efforts of the Chinese Red Cross. Moreover, Deutsche Post Worldnet businesses in China worked together, supporting the domestic transportation of relief goods into Chengdu and the affected areas.

**b) Coca Cola**

In the aftermath of Cyclone Nargis the Coca-Cola Foundation Thailand provided 240,000 bottles of water. Several associates from Coca-Cola Thailand together with officials from the Thai Red Cross accompanied the water supply by truck to Myanmar. After the earthquake hit provinces of China, the Coca-Cola Company sent 20,000 cases of water for the victims. Coca-Cola also donated US$2.4 million in cash and in-kind assistance.\(^75\)

**c) Microsoft\(^76\)**

Microsoft worked in cooperation with OCHA to develop a website for the Myanmar Humanitarian Information Centre.\(^77\) In China, Microsoft donated US$125,000 to the Chinese Red Cross and matched the contributions of their Chinese and US staff. The company set up technical assistance through its partnership with NetHope to help large relief organizations prioritize relief efforts. Customers of Microsoft in the affected areas got free technical support to set up and run their technology solutions.\(^78\)

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\(^{73}\) This assessment is based on: [http://ocha.unog.ch/fts/reports/daily/ocha_R10_E15550_asof_08082117.pdf](http://ocha.unog.ch/fts/reports/daily/ocha_R10_E15550_asof_08082117.pdf), last access August 2008.


\(^{76}\) No detailed information available, see [http://www.microsoft.com/About/CorporateCitizenship/US/ResponsibleLeadership/UrgentDisasterResponse.mspx](http://www.microsoft.com/About/CorporateCitizenship/US/ResponsibleLeadership/UrgentDisasterResponse.mspx), last access August 2008.


\(^{78}\) See [http://www.donorsforum.org/resource/China_Earthquake_Relief.html#member](http://www.donorsforum.org/resource/China_Earthquake_Relief.html#member), last access August 2008.