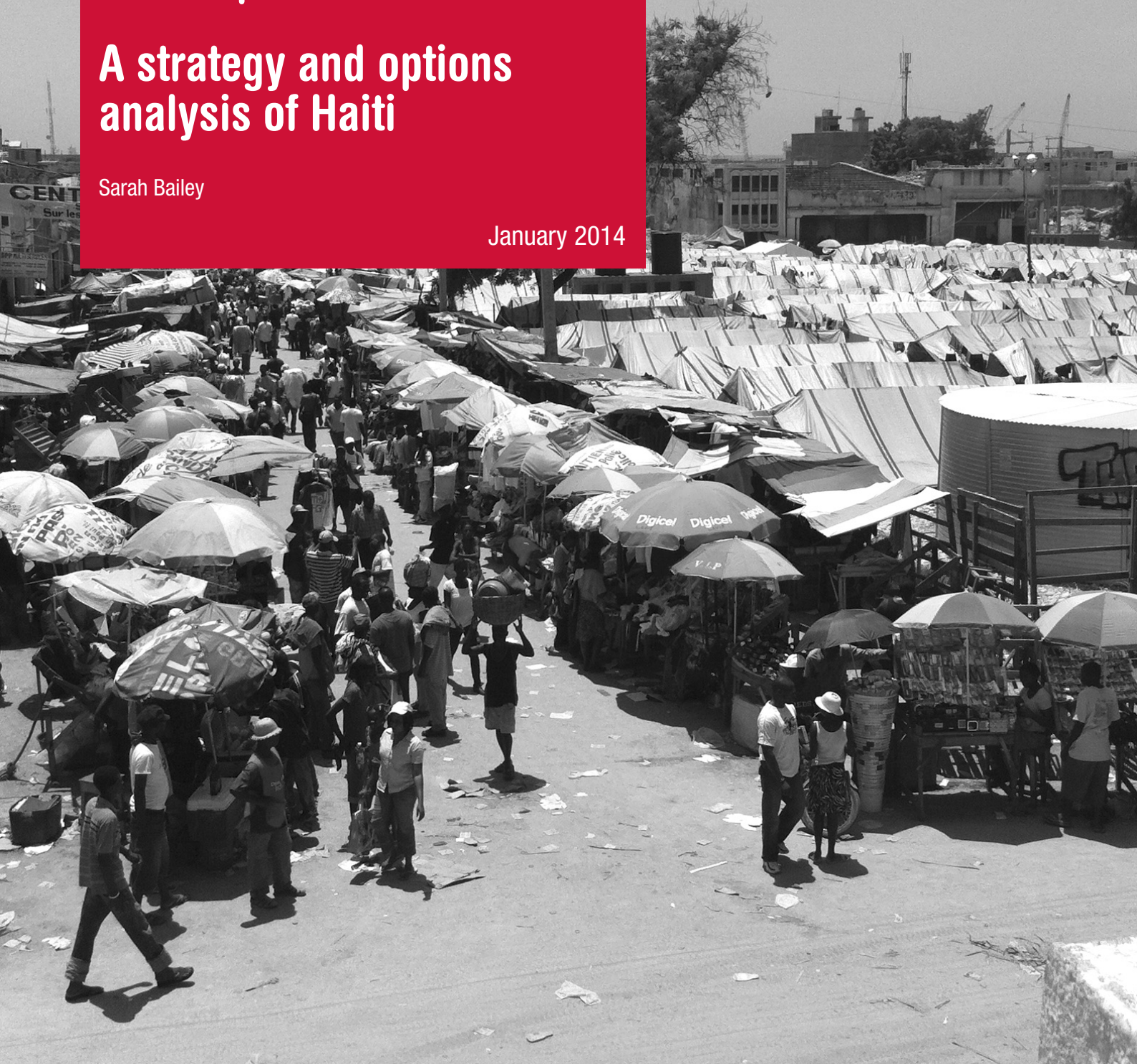


Humanitarian crises, emergency preparedness and response: the role of business and the private sector

A strategy and options analysis of Haiti

Sarah Bailey

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Acronyms

AGERCA	Alliance pour la Gestion des Risques et la Continuité des Activités	IOM	International Organisation for Migration
CARMEN	Community Support Centres for House Repairs	LET	Logistics Emergency Team
CCI	Haitian Chamber of Commerce and Industry	MiCRO	Microinsurance Catastrophe Risk Organisation
COSPE	Consortium of Private Sector Education Organisations in Haiti	OCHA	United Nations Office for the Coordination of Humanitarian Affairs
CRS	Catholic Relief Services	MECS	Mobile Enabled Community Services
DFID	UK Department for International Development	MNO	mobile network operator
DPC	Département de la Protection Civile/ Civil Protection Department	MSPP	Ministry of Public Health and Population
DRR	disaster risk reduction	PDM-H	Peace Dividend Marketplace-Haiti
FTS	Financial Tracking Service	SME	small and medium enterprises
GSMA	Group Spéciale Mobile Association	SMS	Short Message Service
KYC	Know Your Customer	UNDP	United Nations Development Programme
HMMI	Haiti Mobile Money Initiative	UNICEF	United Nations Children’s Fund
IFRC	International Federation of Red Cross and Red Crescent Societies	USAID	United States Agency for International Development
IMF	International Monetary Fund	WHO	World Health Organisation

Executive summary

This paper analyses the role of the private sector in humanitarian action in Haiti, with a particular focus on the response to the devastating earthquake that struck Port-au-Prince in 2010. During the response, international and Haitian businesses participated in humanitarian efforts – both directly assisting populations and working with aid agencies – for commercial and philanthropic reasons. Numerous businesses provided goods, services and technical assistance to aid agencies through commercial and pro-bono arrangements and collaborated with humanitarian organisations on the design and implementation of interventions. Much of this private sector engagement revolved around cash transfer programming and mobile communication. Aid agencies, financial institutions and mobile network operators worked together to provide cash and vouchers, and text messaging was used to channel information from humanitarian agencies to people affected by disaster, as well as to solicit information from them on their needs.

Enabling factors and barriers

Mutual benefits, favourable organisational culture and preparedness and early action all facilitated private sector and humanitarian engagement in Haiti. Cash transfer programming proved fertile ground for collaboration because banks and mobile phone companies had commercial incentives to facilitate payments, and aid agencies needed safe, accountable and wide-reaching cash and voucher distribution channels. However, organisational cultures that prioritise private sector engagement are the exception rather than the rule amongst aid agencies, and collaboration was only possible because individuals, companies and aid agencies stepped outside of their normal approaches and thought creatively about how businesses could support (and benefit from) humanitarian efforts, and vice-versa. Some aid agencies engaged individuals with private sector and market experience to work alongside emergency teams, and some businesses likewise sought out expertise from the non-profit sector to guide their pursuit of partnerships.

Mistrust and different ways of working are barriers to engagement. Particularly after the earthquake, aid agencies were viewed by businesses as operating with insufficient coordination amongst themselves and with the government. Uncoordinated requests from aid agencies to businesses, and a tendency to appeal to businesses' philanthropic rather than commercial instincts, impeded collaboration. Aid agencies were viewed as damaging local businesses and service providers by handing out free goods and services. For their part, aid agencies have their own suspicions about the private sector, and there are tensions between the approaches and principles of humanitarian agencies and businesses, and between the short-term priority to provide emergency relief and longer-term efforts to support the local economy.

Practical options and looking forward

Recent experience in Haiti shows that humanitarian and private sector engagement offers the potential for increasing financial resources, accessing technical capacity and supporting the local economy. Several aid agencies and businesses utilised the flexibility of the humanitarian and business environments to take new approaches to humanitarian assistance in Haiti. Practical opportunities for furthering humanitarian and private sector engagement in Haiti include:

- Support disaster preparedness and response measures with mobile network operators, with a view to promoting a more effective and coordinated approach to using mobile platforms in disaster response.
- Increase cash-based responses and work with the government, financial service providers, mobile phone companies and aid agencies to develop a contingency plan for providing cash transfers at scale in future disaster responses.
- Promote local procurement by aid agencies and facilitate the inclusion of small and medium-sized enterprises.

-
- Consider identifying/establishing platforms for humanitarian and private sector engagement, in order to share lessons and experiences and to identify opportunities for collaboration.
 - Support disaster preparedness initiatives and education in private schools.
 - Adopt a ‘do no harm’ approach to the impact of humanitarian interventions on the local economy, supporting the local economy to the extent possible and recognising and minimising negative impacts.
 - Undertake research on the impact of humanitarian and private sector engagement on the effectiveness and efficiency of humanitarian response.

Relations between humanitarian agencies and businesses in Haiti are surrounded by a cloud of mistrust. There are some valid reasons for this – imported goods, distributions and free services by aid agencies have damaged local businesses, and

the private sector is poorly regulated with a small number of very powerful players. Several aid agencies and businesses have moved past these barriers and found common ground based on reaching Haitians affected by disaster and capitalising on private sector expertise. Aid agencies, mobile phone companies, technology firms and financial services have worked together to provide, receive and process information; to deliver money through existing mechanisms; and even to create new platforms for transferring resources. Documentation of these initiatives focuses on processes and technical lessons, and the evidence base would benefit strongly from additional analysis on their actual and potential role in increasing the effectiveness, impact and efficiency of humanitarian action. Identifying platforms through which experiences can be shared, and which can facilitate engagement between aid agencies and businesses, could prove a useful way forward.

1 Introduction

Over the last decade Haiti has been one of the largest recipients of humanitarian assistance in the world. While most of this assistance has been in response to the devastating earthquake that struck near Port-au-Prince in 2010, the country faces routine disasters caused by tropical storms and hurricanes, and an outbreak of cholera has been on-going since October 2010. The country also has a vibrant private sector characterised by a lack of regulation and a plethora of informal enterprises on which the livelihoods of the vast majority of Haitians depend. The private sector plays an important role in the provision of basic services such as health, water and education, and communications services have expanded rapidly in recent years, including through the activities of mobile network operators.

This paper provides guidance on options to further collaboration between the private sector and humanitarian actors in Haiti. It considers some of the many ways that private businesses have been involved in humanitarian response in Haiti, and the perceptions of individuals from businesses, UN agencies and non-governmental organisations about the opportunities for, and obstacles to, future engagement. The study is part of a broader project on ‘Humanitarian Crises, Emergency Preparedness and Response: The Roles of Business and the Private Sector’, financed by the UK Department for International Development (DFID) with the close involvement of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). The project is jointly implemented by the Humanitarian Policy Group (HPG) at the Overseas Development Institute, the Humanitarian Futures Programme (HFP) at King’s College London and Vantage Partners, a global consulting firm headquartered in the United States. The project addresses issues such as how humanitarian assistance and private sector business activity affect each other, where potential opportunities and synergies can be achieved and negative interactions avoided and how relevant actors can learn from past experience to develop or enhance frameworks and mechanisms that governmental, multilateral and private sector actors can jointly subscribe to and implement in order to

better respond to crises and reduce the vulnerability of crisis-affected people. Building on country studies in Jordan, Kenya and Indonesia, in addition to this strategy and options analysis of Haiti, the overarching analysis considers what the private sector could potentially contribute to humanitarian action, including its role as an actor in its own right and through collaboration with humanitarian actors.

The role of the private sector in humanitarian response tends to be a divisive topic amongst international humanitarian actors. On the one hand, the private sector is held up as offering a way of improving efficiency and promoting innovation; on the other, it is seen as a bastion of profiteering that runs counter to the humanitarian mission. International humanitarian actors often view the private sector only in its role as a supplier of goods and services and as a source of donations through philanthropy and corporate social responsibility initiatives. Moving beyond stereotypes and developing a more nuanced understanding of the possibilities and limitations of engagement between businesses and humanitarian agencies is necessary in order to take advantage of potential opportunities, and to support the markets and businesses people rely on for their livelihoods.

1.1 Methodology

The paper is based on a review of literature and interviews with individuals from businesses and private sector organisations, UN agencies and international NGOs in Haiti (see Annex 1 for a list of interviewees). Documents relevant to humanitarian–private sector engagement were reviewed, covering the characteristics of the economy and the private sector in Haiti, humanitarian strategies, humanitarian financing, strategies and meeting documents by the World Economic Forum and the Private Sector Economic Forum, links between aid and local investment, the use of market-based responses (e.g. cash transfers) in Haiti, and the engagement of national, regional and international businesses in the humanitarian response to the 2010 earthquake,

including through partnerships with humanitarian agencies.

All interviews were conducted remotely; the study did not include fieldwork. The interviews focused on opportunities and challenges to humanitarian and private sector collaboration in Haiti, as well as practical options for furthering engagement where appropriate. They included discussion on perceptions of how humanitarian actors characterise the private sector and vice-versa; experience in engaging with humanitarian agencies and private enterprises in humanitarian response, and observations on such engagement; and opportunities for furthering collaboration. Once options were determined, individuals with knowledge of those programming areas were identified to discuss the feasibility and practicality of the options being considered.

The paper builds on work previously supported by DFID on humanitarian–private sector engagement,

specifically the paper ‘Frameworks for Inclusion of the Private Sector in Disaster Preparedness and Response’ (Weber, 2012). The desk-based nature of the study and the limited time available to conduct it are both limitations, and the level of detail about examples of humanitarian and private sector engagement is biased towards initiatives for which the most information was available. The feasibility and assumptions underlying the proposed programming options should be revisited before taking any of them forward.

Following this introduction, Section 2 describes the context of the Haitian private sector and the main features of recent humanitarian responses in the country. Examples of humanitarian and private sector engagement in recent responses are outlined in Section 3, as well as opportunities for, and constraints to, collaboration. Section 4 provides practical options for increasing collaboration between the humanitarian and private sectors.

2 Context: the economy, the private sector and humanitarian response

Haiti is one of the world's poorest countries. An estimated 80% of Haitians live below the poverty line, and four in ten are unemployed. Nearly half of all Haitians depend on the agricultural sector, mainly small-scale subsistence farming, and are vulnerable to damage from droughts, tropical storms and hurricanes. Remittances are the primary source of foreign exchange, equalling nearly 20% of Haiti's gross domestic product (GDP) and more than twice its earnings from exports. Following a period of modest growth, the economy suffered a severe setback following the earthquake that struck near the capital, Port-au-Prince, in 2010. The earthquake left over 200,000 people dead and caused nearly \$8 billion-worth of damage. An enormous relief and recovery effort was mounted in response to the earthquake, with \$9bn disbursed by donors between 2010 and 2012. Recovery has, however, been slow.

2.1 Characteristics of the private sector

The Haitian private sector is vibrant, fragmented and characterised by a large number of informal operators. Most basic commodities reach the population through a supply chain that includes the formal sector, a semi-formal sector and an informal network of brokerage, distribution, repackaging and resale mechanisms (Weber, 2012) (see Box 1 on rice market chains). The legal regulatory environment for commercial activities is limited, as is government capacity to enforce regulations (World Bank, 2006). There are significant barriers to formally creating, operating and investing in enterprises; in 2013, the World Bank ranked Haiti 177 out of 189 economies for the ease of doing business.

The government of President Michel Martelly has put in place numerous measures to attract investment to Haiti, and has created a commission to reform the country's business legislation. As part of post-earthquake

reconstruction efforts, the government has worked with the Clinton Foundation to attract investors for initiatives such as the Caracol Industrial Park, which is also supported by the Inter-American Development Bank and the US State Department. The government has continued previous monetary, fiscal and foreign exchange policies initiated with the assistance of the International Monetary Fund (IMF) and the World Bank in 2004–2006 (US Department of State, 2013).

Efforts to improve economic governance and attract investment have faced numerous challenges. Weak institutional capacity and political infighting within the Haitian government and in the private sector have hindered efforts to modernise Haiti's commercial, investment and tax laws (*ibid.*). The standards that govern the Haitian legal, regulatory and accounting systems often fall below international norms. Even where regulations are transparent, legal codes and enforcement are not universally applied or observed (*ibid.*).

The Ministry of Commerce and Industry is responsible for formulating and implementing government policy on business and commercial activities, as well as enforcing laws governing these activities. Other bodies involved in coordinating and promoting business activities in Haiti include the Haitian Chamber of Commerce and Industry (CCI), the Haitian Industries Association, the Disaster Management and Business Continuity Committee/Alliance pour la Gestion des Risques et la Continuité des Activités (AGERCA), a network of enterprises promoting disaster risk reduction (DRR), the Private Sector Economic Forum, the Investment Facilitation Center, the Presidential Advisory Council for Economic Development and Investment and the American–Haitian Chamber of Commerce, a non-profit organisation that encourages commercial and cultural relations between the United States and Haiti.

Haiti's 'elite' are major players in the private sector. A small group of Haitian families who prospered under

Box 1: Rice market chains in Port-au-Prince

Imported and local rice make their way to consumers in Port-au-Prince through multiple producers, importers and traders of varying size and formality. Imported rice, which mainly comes from the United States, filters down through wholesalers, distributors and 'Madam Saras' (market women or street vendors that transport and trade local and imported products). A second rice chain is based on networks that organise the processing and delivery of locally produced rice from the Vallée de l'Artibonite to urban areas. A market analysis carried out by 11 aid agencies found that, prior to the earthquake, six firms based in Port-au-Prince accounted for approximately 70% of imported rice, with the remaining portion being imported by

smaller enterprises from smaller ports. Importers were selling the rice to eight main wholesalers (trading 1,000 bags per day) which, in turn, were selling the rice to around 200 small wholesalers (trading 100 bags per day), supplying a network of 10,000 Madam Saras and small retailers in Port-au-Prince. These small retailers at the end of the market chain sold the rice to households. Locally produced rice was transported by a network of approximately 8,000 rural Madam Saras to Port-au-Prince Madam Saras and retailers, particularly between June and September after the main rice harvest in the Artibonite region.

Source: Brady, 2010.

previous political regimes have consolidated enormous amounts of wealth and wield significant influence. One percent of Haitians reportedly control 50% of the country's economy, and the top 500 taxpayers generate 80% of its tax revenues (Robert, 2012). The concentration of resources in the hands of a select few is juxtaposed with a large number of informal operators. The informal economy in Haiti is composed of multiple layers, from micro-level vendors to small and medium-sized enterprises (SMEs) (Walz, 2012).¹ The livelihoods of most Haitians are intimately tied to the informal economy; according to the World Bank, 80% of the workforce is self-employed or works informally.

The private sector plays an important role in the provision of basic services. Public spending on social services is low and concentrated in major urban centres (World Bank, 2012). With limited public health, water and education services provided by the government, non-state service providers have filled this space over time, including communities, NGOs, faith-based organisations, private companies, small-scale informal providers and individual practitioners (World Bank, 2006). Non-state providers in health and education tend to operate at both ends of the quality spectrum, offering either a high-quality service for the wealthy, or accessible but often poor-quality services for the poor (*ibid.*). Communications services have expanded rapidly

in recent years, including through the activities of mobile network operators such as Digicel and Natcom.

2.2 Humanitarian response in Haiti

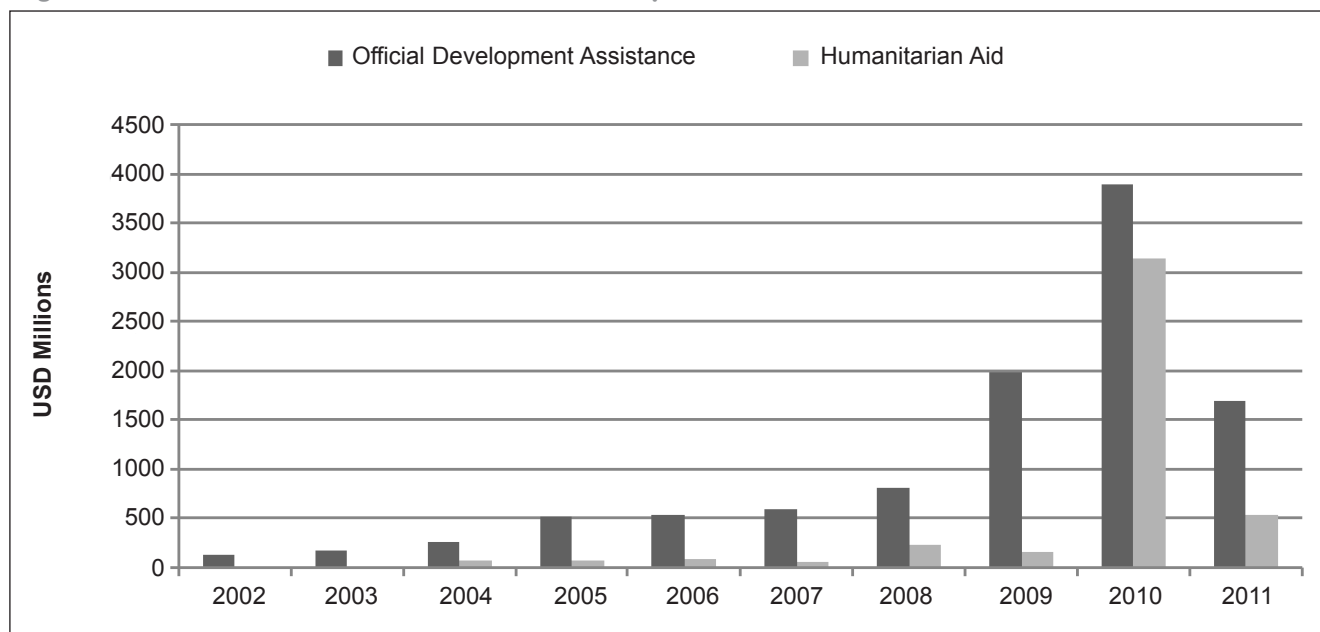
The humanitarian landscape in Haiti has been dramatically influenced by the 2010 earthquake response. Between 2010 and 2012, humanitarian aid for Haiti totalled an estimated \$5.4bn (Office for the Special Envoy for Haiti, 2012). Humanitarian funding in 2010 alone was more than \$3bn, of which one-third was from private sources such as individuals and corporations giving money to charities (by contrast, less than 3% of humanitarian funding to other responses in 2010 was private).² The large amount of private funding contributed to the immense diversity of actors engaged in the humanitarian response. Hundreds of organisations with different objectives and levels of experience established operations in Port-au-Prince, and aid agencies already in Haiti dramatically expanded their operations.

Humanitarian assistance in Haiti has played an important role in addressing the basic needs of disaster-affected people in response to the earthquake, weather-related disasters and the cholera epidemic that began in October 2010. However, this aid has largely bypassed

¹ In 2012, the government began the first ever business census to establish a database of formal and informal enterprises (Walz, 2012).

² OCHA Financial Tracking Service – accessed October 2013.

Figure 1: Humanitarian aid and Official Development Assistance, 2002–2011



Source: Globalhumanitarianassistance.org (humanitarian aid) and OECD-DAC CRS data (ODA).

the government and Haitian civil society (Office of the Special Envoy for Haiti, 2012; Ramachandran and Walz, 2012; Grunewald and Binder, 2010). Of the \$2.4bn disbursed by bilateral and multilateral donors between 2010 and 2012, approximately 59% went to international agencies and contractors (UN agencies, international NGOs, private contractors) and 35% went to donors' civil and military entities engaged in disaster response (Office of the Special Envoy for Haiti, 2012). The government of Haiti received less than 1% of humanitarian funding, and Haitian businesses and NGOs are estimated to have been direct recipients of about 0.1% (*ibid.*). A larger proportion of recovery funding was channelled to the government. Of the \$3.6bn provided by multilateral and bilateral donors for recovery, 15% was channelled through the government in the form of budget support, grants and loans (Office of the Special Envoy for Haiti, 2012). Donors channelled an additional \$878m in support of the government using external systems. Haitian businesses and NGOs were direct recipients of approximately 0.9% of the \$3.6bn in recovery assistance (*ibid.*).

In the wake of the earthquake humanitarian funding has decreased, falling to \$126m in 2012, according to OCHA's Financial Tracking Service (FTS). While humanitarian agencies continue to address the needs of people who remain displaced as a result of the

earthquake, improving food security, managing and preparing for weather-related shocks and responding to the cholera outbreak have become priority objectives for the international humanitarian response (OCHA, 2012). The 2013–2016 UN Integrated Strategic Framework states that the context underlying the overall UN strategy is one of transition, including the gradual transfer of humanitarian and disaster risk reduction (DRR) coordination to the government (UN System in Haiti and the Ministry of Planning and External Cooperation, 2012).

Both the humanitarian sector and the private sector in Haiti are complex and not easy for outsiders to navigate. Humanitarian response has been dominated by international agencies, with elaborate coordination systems and significant numbers of humanitarian organisations, and has mostly worked outside of government systems. At present there is a shift away from the dominant role played by international agencies to a stronger and more central role for the government. Haiti's elite are powerful actors in the private sector, which is subject to weak regulation and comprises enterprises of varying degrees of formality. The private sector is also an important source of basic services. All of these factors influence the opportunities for, and limitations to, engagement between businesses and humanitarian agencies in Haiti.

3 Humanitarian and private sector engagement in Haiti

There are numerous examples of businesses engaging in disaster response in Haiti, for commercial and humanitarian reasons, as well as collaboration between aid agencies and businesses to design and deliver humanitarian activities. This section looks at five specific areas: cash transfers and mobile money; communication, crowd-sourcing and population tracking; partnerships, both existing and new; donations and fundraising; and the provision of goods and services. The section concludes with an overview of the incentives for, and barriers to, private sector–humanitarian engagement.

3.1 Cash transfers, vouchers and mobile money

Several aid agencies have given money to households as an alternative to in-kind assistance. Aid agencies have used cash-based programming for a range of objectives, including supporting livelihoods, access to food, shelter and basic needs. Vouchers have been provided for food, shelter and hygiene interventions; vouchers are more restrictive than cash as they must be spent on certain items and with pre-selected businesses. Despite

Box 2: HMMI and the development of mobile money in Haiti

The development of mobile money in Haiti has been influenced by the Bill & Melinda Gates Foundation and the United States Agency for International Development (USAID) Haiti Mobile Money Initiative (HMMI). Prior to the 2010 earthquake, initiatives had been under way by Haiti's major mobile network operators (Digicel and Voila) to develop mobile money services in Haiti. HMMI accelerated the development of mobile money by offering \$10m in prize money to mobile operators, including prizes for being the 'first to market' with their mobile money product and for scaling up their services. The 'first to market' prize was won by Digicel for the Digicel/Scotiabank product TchoTcho Mobile; the 'second to market' prize was won by Voila for the Voila/Unibank product T-Cash (Dalberg, 2012a). The final prize of \$2.5m was given to Digicel and Voila in 2012 for reaching 5m transactions (Gates Foundation, 2012). HMMI also supported NGO involvement in utilising mobile money in Haiti, providing a grant to the NGO Mercy Corps to expand pilot cash for work payments implemented with Voila and Unibank (USAID, 2010).

The exact role of HMMI in the development of mobile money is not yet fully understood, and it is

unclear how mobile money would have progressed in Haiti without the prize money, which is estimated to represent 30% to 50% of the typical launch costs incurred by service providers in other markets (Dalberg, 2012a). HMMI undoubtedly accelerated the development of mobile money, but it also encouraged rapid progress and short-term transaction targets over approaches more geared to sustainability. A challenge ahead is to build on recent innovations to develop a sustainable mobile money ecosystem with an appropriate regulatory framework that facilitates the expansion of these services in Haiti (*ibid.*).

Of all the examples of private sector engagement in Haiti cited in this section, lessons on the development of mobile money in Haiti are perhaps the most extensively documented. This is due in no small part to investment in learning from the outset of the initiative. One element of the HMMI programme was to engage the development advisory firm Dalberg to undertake research on the development of mobile money in Haiti and document emerging lessons in reports that are available on the web. As a result, lessons from this programme are readily accessible.

the obvious potential for using cash in urban settings like Port-au-Prince, where populations rely on markets for goods and services, only 2.4% of humanitarian funding from bilateral and multilateral donors in 2010 was recorded as relating to cash transfer programmes (Office of the Special Envoy for Haiti, 2012). An evaluation endorsed the use of cash transfers in response to the earthquake and recommended actions be taken to prepare for large-scale cash responses in the future (Grunewald et al., 2011).

Some aid agencies have worked with mobile network operators (MNOs) to provide cash transfers via mobile money, distributing \$5.7m to more than 24,000 beneficiaries (Dalberg, 2012a). This was the first time MNOs had supported bulk payments (Dalberg, 2012b). Several NGO programmes were implemented in areas with weak mobile money infrastructure, and service providers and NGOs worked together to establish agents in new areas, train staff and promote awareness amongst beneficiaries about the services. Meeting the Know Your Customer (KYC) requirements of MNOs was difficult where beneficiaries lacked identity cards; one solution was for MNOs to accept NGO-issued IDs. Spikes in transactions (i.e. large volumes of transfers to beneficiaries) created long lines and challenges for agents. While there is substantial potential for using mobile money to increase the efficiency of transactions and reach large numbers of people with cash transfers, more investment is needed to capitalise on the opportunities presented by Haiti's nascent mobile money system. For example, increasing financial inclusion through mobile money activities depends in no small part on the ability of beneficiaries to access mobile money services once the programme has ended, but the lack of strong transition plans to support post-programme usage discouraged the continued use of mobile money services (Dalberg, 2012b).

Aid agencies and MNOs have also partnered to design and implement electronic voucher initiatives. As part of the United Nations Development Programme (UNDP) and Haitian government's Community Support Centres for House Repairs (CARMEN), households received \$500 in electronic vouchers to purchase construction materials such as cement, iron and wood at pre-selected stores. UNDP worked with Digicel and the Haitian information technology company Transversal to tailor the electronic platform underpinning the voucher programme, called 'MerchantPro' (UNDP, 2012). Transversal and Digicel also jointly won a bid to provide e-voucher services for USAID Food for Peace

activities run by the NGOs CARE and Catholic Relief Services (CRS) (Smith, 2012).

In addition to the role that banks like Unibank and Scotiabank have played in the development of mobile money, engagement between financial institutions and aid agencies has been important for delivering cash transfers to beneficiaries through banks, money transfer agents and microfinance institutions like Fonkoze. Financial institutions have been contracted to manage voucher payments (i.e. the exchange of vouchers for cash by participating traders), as Sogexpress did for Action Contre la Faim for its fresh food voucher programme in 2010 (Mattinen and Morel, 2011). While less extensively documented than mobile money, similar lessons have emerged related to the need to increase the capacity of the branches providing the transfers, manage identification requirements, establish clear operational protocols and reporting procedures and put in place appropriate systems to communicate with beneficiaries about how to receive the cash payments (Sivakumaran, 2011).

Cash transfer programming has proved fertile ground for collaboration because businesses are motivated to facilitate payments in order to make profits from transaction costs and expand their services and reach. Cash transfers are also a way to support the recovery of the small, informal businesses on which the majority of Haitians rely for goods and services. Unlike distributing free commodities that are in competition with locally available ones, cash transfers increase the purchasing power of consumers. According to business people consulted, providing cash demonstrates a willingness to support the local economy, and there was a general feeling that cash transfers have been vastly underutilised compared to their potential. Giving money avoids the costs incurred in shipping and distributing commodities, but their efficiency is context-specific and no systematic analysis has been done in Haiti comparing the efficiency of cash, voucher and in-kind approaches.

3.2 Communication, crowd-sourcing and population tracking

MNOs and web-based platforms played an important role in disseminating information and promoting communication with disaster-affected people. Immediately after the earthquake, Voila and Digicel responded positively to multiple requests from NGOs

to send out information via Short Message Service (SMS) (e.g. notifying people about assistance and providing information about hygiene). However, while SMS was an efficient way to provide information, there was little consistency in content, messages overloaded the system and some messages were delayed or sent multiple times (Wall and Chéry, 2011). Subscribers rapidly came to regard the numerous text messages they were receiving as spam (*ibid.*).

Voila and Digicel quickly developed a more strategic approach to SMS requests, and introduced some much-needed coordination amongst the aid agencies approaching them (*ibid.*). One individual working with an MNO explained that they had a dedicated staff member for dealing with requests from aid agencies. Faced with large volumes of similar requests for services like sending informational text messages, they would inform agencies about other organisations working on similar issues or in the same target area. When the October 2010 cholera outbreak prompted agencies to send messages related to cholera prevention and treatment, Digicel insisted that it would not transmit messages that were not approved by the Ministry of Public Health, the World Health Organisation (WHO) or the Red Cross. This stance was geared to protecting the company's reputation and ensuring that its customers received reliable information, while also promoting more consistent messaging (*ibid.*).

Most documentation on the use of SMS in Haiti focuses on technical challenges, lessons and good practice.³ Significantly less attention has been given to the results of the communication (Wall and Chéry, 2011). An exception is an evaluation by the Red Cross on its communication with beneficiaries. A partnership between Trilogy International Partners and the Red Cross/Red Crescent Movement was established following the earthquake, which resulted in more than 45m text messages being sent through Voila's network (Chazaly, 2011). In the evaluation, a quarter of people interviewed reported receiving information from the Red Cross through their phone, and only half of those people had Voila phones, indicating that messages were forwarded by recipients to others. Nearly all (95%) of those receiving the messages found the information useful, and 90% said that they changed some aspect of how they lived because of the information they

had received. Especially appreciated were weather warnings, as respondents indicated that they were not obtaining this information through the Haitian media (*ibid.*). Ahead of Hurricane Sandy in 2012, the Red Cross sent SMS messages urging people to beware of strong winds and rain, flooding and landslides, and making them aware of a Red Cross phone number that provided information on how to take precautions ahead of the storm (IFRC, 2012). These results suggest that SMS communication can be very effective in transmitting information, at least when provided by a well-recognised actor like the Red Cross.

SMS communication was not one-way. Along with platforms like Facebook and Skype, SMS was used to get information *from* Haitians related to needs and population movements to inform humanitarian efforts. Shortly after the earthquake, a platform was created whereby people with mobile phones could text information to the shortcode '4636'.⁴ 'Mission 4636' relied on a large group of Kreyol- and French-speaking volunteers working on crowdsourcing platforms to translate, categorise and extract essential information from the text messages; the structured data was then streamed back to the relief effort in Haiti (Munro, 2013). Mission 4636 brought together a large number of actors from various sectors, including Samasource, 1000 Jobs Haiti, FATEM, Union Haiti, Stanford University, Energy for Opportunity, CrowdFlower, Service Employees International Union, the Crisis Mappers Network, Ushahidi, FrontlineSMS, Thompson-Reuters Foundation, InSTEDD, the US State Department, Microsoft Research, Digicel and a dozen Haitian NGOs (Harvard Humanitarian Initiative, 2011).

The large volume of information gathered through 4636 and other platforms was used in mapping exercises. In the aftermath of the earthquake, information technology experts customised a crowdsourced mapping programme, which had been created by the non-profit technology company Ushahidi for citizen tracking during election violence in Kenya in 2007–2008. Using volunteers from Tufts University, the map was published online and continually updated based on incoming information. An independent evaluation of the Ushahidi Haiti project found that it was an 'impressive proof of concept for the application of crisis mapping and crowdsourcing to large scale catastrophes' and that it provided situational

3 See Meier and Munro (2011) for detailed technical analysis of the use of SMS in the Haiti earthquake response; see Wall and Chéry (2011) for lessons and good practice.

4 A shortcode is an alias for a longer number; it is more memorable and easier to communicate to a large audience (Harvard Humanitarian Initiative, 2011).

awareness and information with a relatively high degree of geographic accuracy (Morrow, 2011).

However, it is unclear the extent to which crowdsourcing platforms, whether developed by private enterprises or non-profits or in collaboration, actually improve humanitarian response. The Ushahidi Haiti evaluation found that the information was not extensively used by international humanitarian agencies to inform the delivery of aid. Some aid agencies were concerned about the quality of the data and expressed doubts about the value of the information given that they were doing their own assessments anyway (*ibid.*). One critique of using crowdsourcing to inform humanitarian response argues that increasing the volume of information is in fact counter-productive; rather, the focus should be on generating clearly defined information through credible sources (Currion, 2011). A more fundamental criticism is not the volume or even the quality of the information, but rather the lack of incentives within the humanitarian system to actually use the information in decision-making.

Digicel and Flowminder partnered to track populations displaced after the earthquake and the subsequent cholera outbreak, with the aim of improving information and aid allocation (GSMA, 2013a).⁵ Using analysis of mobile phone records and the geographic positions of SIM cards, the movements of mobile phone users were monitored. The results suggest that estimates of population movements during disasters and outbreaks can be delivered quickly and with potentially a high degree of accuracy in areas with high mobile phone use (Bengtsson et al., 2011). An interviewee familiar with the endeavour cautioned that Digicel's willingness and ability to rapidly put in place a legal agreement should be taken into account when considering opportunities to replicate the initiative in other contexts (it took only 12 hours to negotiate a legal agreement for access to Digicel's data) (GSMA, 2013a).

3.3 Partnerships

Aid agencies and enterprises have formed global-level partnerships that can be used to support specific disaster responses. Numerous global corporations have established partnerships with humanitarian

aid agencies to boost the morale of employees, enhance the company's image and demonstrate its social commitment to consumers (Thomas and Fritz, 2006). These partnerships are generally pro bono (i.e. aid agencies do not pay for the goods and services provided by the company). Contributions from the corporate sector range from purely philanthropic donations to integrated relationships that make use of the core competencies of each party (Austin, 2000). Humanitarian actors with pre-existing global partnerships with corporations, either as individual agencies or through consortia, drew on these arrangements in responding to the Haiti earthquake.

NetHope is a collaboration of more than 40 humanitarian NGOs that leverages technology to serve humanitarian and development aims. With its corporate partners Microsoft, Cisco and Intel and Inveneo, a non-profit organisation that provides information and communications technology services, it provided short-term internet connectivity for 15 NGO members and five allied organisations in Haiti (Bridges et al., 2010). NetHope coordinated with its partners to link software and devices in new combinations that boosted wireless bandwidth, enabling humanitarian actors to communicate with technologies such as e-mail, rather than only relying on satellite phones. The result was a reduction in communications costs and an increase in options for communication (Bridges et al., 2011).

Facilitated by the World Economic Forum, Logistics Emergency Teams (LETs) are groups of experienced employees provided pro bono by Agility, TNT and UPS at the request of the Global Logistics Cluster. Deployed teams work with WFP, which leads the Global Logistics Cluster, to clear bottlenecks in the supply chain during the immediate aftermath of a disaster. Through this arrangement, and at the request of the Global Logistics Cluster, UPS and TNT sent personnel to Santo Domingo to manage warehouse operations and improve the efficiency of supply transfer. Those involved in the operation emphasised the importance of preparedness in being able to rapidly provide the service; the companies that comprise LET are in regular communication to ensure that they are ready for disaster deployments, and they have designated trained staff members for humanitarian responses (*ibid.*).

The NGO Habitat was approached by numerous corporations seeking to provide donations for the earthquake response. Rather than form new

⁵ A joint research team from Karolinska Institute and Columbia University worked with Digicel for the mapping efforts; the Flowminder Foundation is a non-profit entity based in Sweden established to operationalise the results from the project.

partnerships in a short period of time, Habitat capitalised on its on-going engagement with Home Depot and long-standing partnership with Whirlpool, which had worked with Habitat since 1999, donating money and appliances and supporting an employee volunteer programme. Whirlpool provided warehouse space to Habitat for the assembly of shelter kits; Home Depot donated \$140,000-worth of supplies and helped channel requests from suppliers looking for ways to support the earthquake response (*ibid.*).

Most documentation on these partnerships focuses on the basic outputs (e.g. money raised, actions taken, goods donated) and press releases and news articles that highlight the good deeds being accomplished. Although the World Economic Forum has brought together many of the Haiti earthquake response examples and drawn out lessons on forming partnerships, from which most of the above examples are drawn (Bridges et al., 2011), deeper analysis on the limitations of partnerships is missing. This is not surprising given that positive attention from the media, consumers and employees is one of the reasons why corporations partner with agencies to support disaster relief. Analysis on the extent to which global partnerships have supported subsequent humanitarian responses in Haiti would be useful, as this would indicate whether agencies can depend on such support for smaller-scale (and lower-profile) emergencies.

Meaningful partnerships between aid agencies and businesses can take years to develop (Thomas and Fritz, 2006), but new and short-term arrangements can be put in place based on shared objectives. Many of the examples cited elsewhere in this section came as a result of the earthquake response, and some have formed the basis for further collaboration. For example, during the first ten days after the earthquake, Voila worked with the International Federation of Red Cross and Red Crescent Societies (IFRC) to send text messages on emergency treatment and establish a hotline for information; Voila and IFRC then created an SMS gateway that allowed for real-time information on which phone numbers were going through which cell phone towers, allowing aid agencies to target messages to subscribers in certain geographic areas.

One of Mercy Corps's first actions after the earthquake was to partner with the microfinance institution Fonkoze. Both organisations were concerned about the impact of loan defaults and about

the livelihoods and small businesses of Fonkoze's clients, many of whom are 'Madam Saras' and play an important role in the informal economy. Together Fonkoze and Mercy Corps launched a 'catastrophic microinsurance' pilot programme for Fonkoze clients who had taken out small business loans, providing them with loan forgiveness and an additional \$128 to assist with basic needs (Mercy Corps, 2010). Although Fonkoze had not previously offered catastrophic insurance, clients were informed that they were being treated as though they had purchased such a policy. Three-quarters of clients surveyed invested some of the cash grant in their business; 95% chose to take out a new loan, and the repayment rate of new loans was 97% in December 2010 (Fonkoze, 2011).

Fonkoze and Mercy Corps founded the for-profit Microinsurance Catastrophe Risk Organisation (MiCRO) in 2011, with the support of DFID and Swiss Re, a leading global reinsurer (Mercy Corps, 2012). Through MiCRO, Fonkoze launched 'Kore' disaster insurance coverage for its small business clients with a partially subsidised premium. Since its inception, MiCRO has made 35,000 payments totalling \$8.8m, including in response to Hurricane Sandy and Tropical Storm Isaac (Mercy Corps, 2013). MiCRO is evolving into a global company providing insurance products to low-income entrepreneurs; Mercy Corps is a private investor in the company.

3.4 Donations and fundraising

As previously noted the humanitarian response to the Haiti earthquake had a high percentage and volume of funding from private sources. There are numerous examples of corporations and private individuals raising and donating money, goods and services:

- MasterCard waived fees on donations to certain aid agencies and launched an employee matching programme; the waiver resulted in an additional \$2.4m to designated humanitarian organisations – money which ordinarily would have gone on fees (Bridges et al., 2010).
- An American Red Cross donate-by-text programme, promoted heavily by the US State Department and the mainstream American media, raised \$43m (Smith, 2012).
- WFP and Zynga (an online gambling website) had previously piloted a small fundraising initiative; they built on this arrangement to undertake a

fundraising campaign that raised \$1.5m (Bridges et al., 2010).

- Teva pharmaceuticals donated medicines worth \$7m and \$200,000 in cash.
- Ericsson Response deployed in Haiti to support communications for humanitarian agencies; Digicel provided it with access to its 900 MHz band, which it used to handle 3,000 calls per day for humanitarian responders (GSMA, 2013a).

Numerous businesses based in Haiti have provided assistance to people affected by disasters and to the organisations helping them. Digicel distributed nearly 50,000 free handsets to NGOs to facilitate communication and donated money to the NGO Concern Worldwide (Bridges et al., 2011). Digicel also provided \$10m in free credit to its 2m subscribers in Haiti following the earthquake, and donated generators and credit to 15 local radio stations in order to get them back on air (GSMA, 2013a). The notion of providing free credit after a disaster is straightforward, but has consequences for network management. Digicel provided subscribers with \$5 in airtime credit after the earthquake, which was double the amount that users typically purchased in a month. The subsequent surge in traffic led to serious network congestion (GSMA, 2013a).

3.5 Commercial engagement and procurement of goods and services

Non-profit aid agencies have long engaged with businesses to purchase and deliver goods and services (e.g. food, shelter materials, health supplies, transport services). The humanitarian response in Haiti was no different; the main question is which businesses were included in these commercial arrangements, and the extent to which aid agencies procured goods and services from international suppliers when these could have been procured locally.

Building Markets (formerly the Peace Dividend Trust), a Canadian organisation, put in place the Peace Dividend Marketplace-Haiti project (PDM-H) to facilitate local procurement and promote access to procurement processes for a wider range of businesses. The goal of the three-year project was to reduce barriers to local procurement and increase the participation of

local businesses (mainly small and medium-sized) in humanitarian and development efforts (Butler et al., 2012). It created a Tender Distribution Service that collected and disseminated tenders to registered local businesses, and provided training on business standards, procurement procedures and contracting requirements. Buyers and suppliers in Haiti reported to PDM-H that these services had enabled the local private sector to win 1,332 contracts valued at \$28.7m; more than one-third of those contracts were awarded to women-owned businesses (*ibid.*). Building Markets estimated that the contracts facilitated by PDM-H created 11,604 jobs that lasted on average for one month. The services created through the project were handed over to the Ministry of Commerce and Industry in 2012 (*ibid.*).

Several American private companies were awarded US government contracts to provide humanitarian and recovery assistance in Haiti (Ramachandran and Walz, 2012). Chemonics and DAI alone received a total of \$125m from USAID in 2010–2011 for activities like rubble removal and cash for work (Ramachandran and Walz, 2012; FTS). Despite the large amount of funding to private contractors, little analysis has been undertaken on their role and added value.

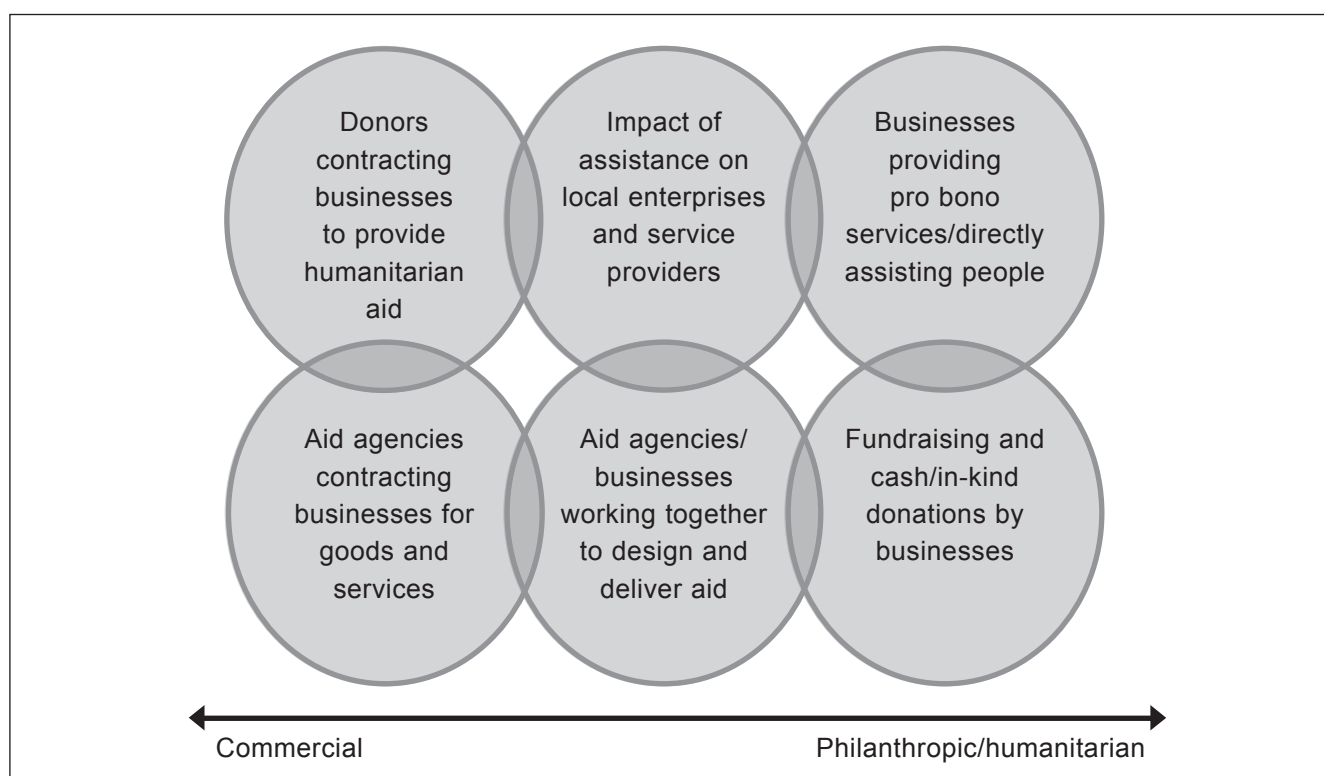
3.6 Humanitarian and private sector engagement in Haiti: opportunities and limitations

The examples of humanitarian and private sector engagement in Haiti sketched out above encompass a variety of different arrangements, driven by both commercial and humanitarian motives (see Figure 2). They offer insights into factors that have enabled and hindered collaboration between aid agencies and businesses. Enabling factors include mutual benefit, preparedness and a favourable organisational culture; barriers include mistrust and different principles and ways of working.

3.6.1 Enabling factors

All of the examples of collaboration and partnership have been built on a foundation of incentives and mutual benefit for businesses and aid agencies. In the case of the delivery of cash transfers, aid agencies needed safe, wide-reaching and efficient delivery mechanisms, and financial institutions and MNOs could profit from fees incurred for the transactions

Figure 2: Types of humanitarian–private sector engagement in Haiti



and the increased use of their services through bulk payments. Through HMMI, incentives were put in place that shaped the humanitarian operating environment; the financial awards encouraged the rapid development of mobile money and supported the partnership between Mercy Corps, Voila and Unibank to expand their pilot mobile money schemes. In several instances businesses and humanitarian agencies shared the basic desire to help people in need, with businesses bringing financial and technical resources in support of the humanitarian response.

Preparedness was important for capitalising on global-level partnerships, such as fundraising arrangements, LETs and NetHope, in response to the earthquake. Pre-existing global partnerships were ‘activated’ following the earthquake. Many ‘reactive’ collaborations between non-profits and private businesses also emerged (e.g. displacement tracking through mobile phones, SMS for communication with disaster-affected populations), which have formed the basis for future engagement. While new forms of collaboration can be established in the midst of a response, a lesson from Digicel’s experience in the aftermath of the earthquake is that disaster preparedness planning is essential, especially as the majority of company resources will be focused on keeping the network functioning rather than establishing new partnerships to deliver humanitarian

aid (GSMA, 2013a). Where relationships were not already in place, early action mattered. Mercy Corps engaged with Fonkoze immediately after the earthquake, enabling prompt payments to Fonkoze clients and laying the foundation for the insurance company MiCRO.

Amongst aid agencies that were proactive in their engagement with businesses, organisational culture emerged from interviews as a driver. Two examples are Oxfam and Mercy Corps. The involvement of Mercy Corps in the development of mobile money and microinsurance was driven by the prioritisation of innovation and market-based programming at Mercy Corps headquarters, resulting in the deployment of specialists in mobile technology and market development immediately following the earthquake. Oxfam in Haiti has hired individuals from the private sector to support its work on value chain analysis and cash transfer programming. Oxfam International has developed a policy position on engagement with the private sector, which finds that increasing the involvement of the private sector in humanitarian relief can add to overall humanitarian capacity. Oxfam has also adopted processes for engagement with the private sector, including screening potential private sector partners to address ethical concerns, possible conflicts with Oxfam’s mission and humanitarian

principles and conflicts of interest for the company (Oxfam International, 2012). Some businesses, too, have hired people with experience in humanitarian response to exploit potential opportunities with non-profit organisations and to manage their partnerships. Collaboration was possible because individuals, companies and aid agencies thought creatively about how businesses could support (and benefit from) humanitarian efforts, and vice-versa.

3.6.2 Barriers

Trust, or rather the lack of it, is a significant obstacle to humanitarian and private sector engagement in Haiti. Some local businesses and service providers suffered or failed because aid agencies provided goods and services for free and attracted staff from local providers to higher-paid jobs with aid agencies (Weber, 2012; Patrick, 2011). With the vast majority of contracts going to international agencies and firms, there is a general sense that Haitian businesses should have experienced more benefits from the \$9bn in relief and recovery funding. Weber (2012) found that ‘a somewhat noticeable distrust, and even contempt, of international assistance is held by a significant number of influential private sector stakeholders’. Aid agencies are viewed as operating in their own silos, without adequate coordination with the government, and as taking forward many initiatives adopted from other contexts and not appropriate to Haiti. Amongst humanitarians, there is distrust of the private sector. There are concerns about supporting the elite class in Haiti, and with little regulation of the private sector aid agencies have legitimate reservations about collusion, profiteering and corruption. The construction sector, and especially the cement industry, is seen as having artificially increased prices in the aftermath of the earthquake (Weber, 2012).

There are tensions in the objectives and operating principles of businesses and humanitarian agencies. This is not to say that the ‘for-profit’ and ‘non-profit’ motives of businesses and humanitarian agencies will always be an obstacle, since opportunities for mutual benefit have been taken. Humanitarian agencies operate by principles, such as providing assistance impartially on the basis of need, which inform decisions about the objectives and design of their interventions. Thus, Médecins Sans Frontières (MSF) provided free access to its health services in Haiti as this meets MSF’s objective to provide urgent and life-saving assistance – an approach that is at odds with objectives to support medium- and longer-term provision through providers

that charge fees for services. Humanitarian agencies will only seek out collaboration with private businesses and service providers when this is viewed as contributing to humanitarian aims and in line with humanitarian principles. At the same time, narrow interpretations of principled action risk obscuring potential opportunities, such as collaborating with existing health facilities.

The different ways that aid agencies and businesses operate is another challenge. There is no clear focal point for businesses that wish to engage with aid agencies; one interviewee noted that employees from one corporation were sent to agency coordination meetings, but that attendance was short-lived as the meetings were not productive. While there are numerous potential focal points in the private sector (e.g. business associations, Chambers of Commerce), some associations stated that they were not approached by aid organisations to make connections with local businesses, and that international assistance was undermining the commercial activities of their members. Business people interviewed said that companies are able to establish successful arrangements when aid agencies are clear about their needs, timetables and strategies, but that the lack of coordination amongst aid agencies and their limited knowledge of commercial practices is a barrier.

The lack of platforms for engagement, and the cultural distance between aid agencies and businesses, suggests that there is a role for a platform or intermediary to make links between the two. The PDM-H initiative was established on the logic that bringing together aid agencies and businesses (in this case for local procurement) requires an actor that can facilitate the engagement so that both parties benefit. Business people interviewed stressed that any initiative to support humanitarian and private sector collaboration should be done through the government, or that the government should at a minimum sanction the role of any organisations that take it forward.

There has been a tendency for humanitarian agencies to appeal to philanthropic aims rather than the commercial instincts of businesses. Even where corporations engage in philanthropy, business people consulted stressed the importance of separating out the commercial and philanthropic motivations for working with aid agencies. Businesses see their primary added value in humanitarian response as providing goods and services to aid agencies that maximise the efficiency and impact of humanitarian activities, as

well as developing new ways of working, as in the case of voucher platforms. Businesses can bring systems, services and products, but services cost money and aid agencies should be prepared to engage on a business level rather than appealing for discounts or pro bono services on humanitarian grounds.

Most of the examples found in the literature and cited by interviewees relate to the earthquake response. The focus of aid agencies in Haiti is shifting away from disaster relief to more medium-term efforts to support livelihoods and economic development. Many opportunities cited by aid agency

interviewees relate to recovery and development efforts – namely strengthening value chains, increasing access to financial services and supporting urban and agricultural livelihoods. While recognising that opportunities exist for humanitarian programming, there does not appear to be a strong drive from aid agencies to increase their level of engagement with businesses; for example, private sector engagement is not mentioned in the 2013 Humanitarian Action Plan (the annual document used for planning international humanitarian strategy and response), and private sector engagement has received little attention in humanitarian coordination meetings.

4 Options for furthering engagement

This section outlines options for furthering humanitarian and private sector engagement in Haiti, based on experiences to date and opportunities cited by interviewees. Numerous options are also provided in Weber (2012), which are listed in Annex 3.

4.1 Practical opportunities for furthering engagement

4.1.1 Support disaster preparedness and response measures with MNOs

The most innovative examples of collaboration in the previous section concern the use of mobile phones to provide information, promote communication and transfer resources. Numerous lessons were learned in the post-earthquake response – about overlaps among aid agency requests to use mobile platforms, about working with MNOs in a way that is sensitive to their concerns about their subscriber bases and about the potential for using innovative approaches such as mobile money. While the Gates Foundation/USAID HMMI initiative is often held out as a model for private sector engagement, it also revealed tensions between short-term objectives to develop mobile money and the sustainability of services. Working with MNOs to put in place strategic disaster preparedness and response measures would balance the priorities of humanitarian actors and MNOs to promote a more coordinated approach to using mobile platforms in disaster response in Haiti.

Specific objectives of a disaster preparedness and response strategy might include:

- Improving the resilience of communication systems.
- Ensuring that government and humanitarian aid agencies have dedicated channels of communication following disasters when networks become clogged.
- Having SMS systems at the ready, including humanitarian messages pre-approved by the government.

- Contingency planning for increasing mobile money services following disasters to enable transfers from the government or aid agencies.

Disaster preparedness and response measures could be taken forward through the Group Spéciale Mobile Association (GSMA), a global association of mobile operators. The GSMA created a disaster response programme because of the growing use of mobile communication in humanitarian assistance, with the objective of understanding how the global GSMA community can support such efforts. Working through an established entity like the GSMA would pose little risk, and would have the advantage of reaching multiple MNOs, as opposed to working with a single network operator. The GSMA already has an established relationship with international donors. The Mobile Enabled Community Services (MECS) programme, launched in 2013, leverages mobile technology and infrastructure to help improve access to basic energy and water services in underserved communities. It is supported by a £4.1m grant from DFID (GSMA, 2013b).

4.1.2 Increase cash-based responses and develop a contingency plan for providing cash transfers at scale

Cash transfers have been firmly established as a feasible and appropriate way to meet humanitarian needs in Haiti. The economic benefits of cash transfers are spread amongst a wide range of businesses, traders and service providers where households spend the cash; when vouchers are used, their benefits are concentrated amongst the select group of participating vendors. As only an estimated 2.4% of humanitarian aid provided in 2010–2012 utilised cash transfers, there is real potential to increase cash transfer programming in Haiti.

Even though cash transfer programming has not been used on a very large scale in Haiti, cash provision still ran into numerous problems related to the capacity of financial service providers and MNOs to distribute and transfer cash, often overwhelming distribution

agents. In general, cash transfer programming is viewed as more risky than in-kind assistance (despite the lack of evidence to support this claim). Using cash transfers at scale in future responses would require buy-in from the government and identifying and supporting distribution systems so that they can handle large volumes of transactions.

One option is to support the development of a contingency plan with the government, major financial service provider(s) and/or MNOs and a major aid agency to provide cash transfers in future disaster responses. The plan would identify the circumstances under which cash transfers would be used, distribution mechanisms and the donors prepared to finance cash transfer programming, as well as actions that need to be taken in order to ensure distribution capacity. This process could explore the potential for partnerships with Visa or MasterCard, both of whom support cash transfer programming in humanitarian response (Visa has worked with the Pakistan government to reach nearly two million households with emergency cash transfers). It could also be linked to efforts to support disaster response planning with MNOs.

The main risk in taking forward this option is risk aversion. While cash transfer programming is growing, risk aversion and lack of leadership remain key obstacles to the financing and programming of cash transfers, particularly at scale (Bailey, 2013; Mowjee, 2013). The plan could engage ‘champions’ of cash transfer programming from the humanitarian community in Haiti. High-level buy-in from the government (i.e. ministerial level) and from the Humanitarian Country Team, including the Resident Coordinator/Humanitarian Coordinator, would be crucial.

4.1.3 Promote local procurement and facilitate the inclusion of SMEs

Humanitarian response in Haiti has the potential to benefit a large number of businesses of different sizes through increased local procurement. Renewed efforts to support the inclusion of SMEs would spread the economic benefits to a wider range of commercial enterprises, while giving aid agencies a wider choice of suppliers. Promoting local procurement and the inclusion of SMEs requires bridging gaps between aid agencies and local businesses, and ensuring that SMEs have the systems and knowledge they need to engage in procurement processes.

Building Markets supported this process in the past through training local businesses and developing platforms to link them to the procurement needs of aid agencies. Building Markets also works with aid agencies so that procurement officers and logisticians understand the local business environment. Building Markets handed over its project to the Ministry of Commerce and Industry, but given limited government capacity, efforts to promote local procurement and the inclusion of SMEs are still needed. Initiatives to encourage local procurement would need to be approved by the government at the ministerial level.

4.1.4 Consider identifying/establishing platforms to promote humanitarian and private sector engagement

There is potential to pilot new ways of bringing together businesses and aid agencies for improving responses. Just as efforts to promote local procurement can be supported by closing gaps between SMEs and aid agency procurement processes, so too could steps be taken to facilitate engagement between aid agencies and businesses by documenting experiences, sharing lessons and establishing a sustained point of contact for businesses within the humanitarian community. A platform for humanitarian and private sector engagement could enable a more strategic approach to creating partnerships between aid agencies and businesses, particularly in vital sectors such as health, water, food and communications. Whether a specific platform is needed and precisely what form it would take (i.e. should it sit with the government, who should lead it?) is debatable – the added value and potential arrangements would need to be explored with the government, businesses, aid agencies and existing coordination bodies in the humanitarian and business communities.

4.1.5 Support disaster preparedness in private schools

Disaster preparedness is not regularly addressed in schools in Haiti, most of which are privately run. Basic information on what to do in the event of an earthquake, hurricane or tropical storm, along with information on cholera prevention, could support the well-being of children and their families when disasters strike. Successful models in private schools could be adopted or adapted for use in public schools. Resources on disaster preparedness for schools already exist from organisations such as the United Nations Office for Disaster Risk Reduction. Disaster

prevention and preparedness in private schools could be supported through NGOs working with private schools with which they already have relationships, or by piloting activities through the Digicel Foundation and its NGO partners.⁶ One obstacle to taking forward disaster preparedness measures in private schools is the fragmentation of the education sector. Efforts would need to be targeted at a wide range of private schools and education associations. A starting point could be working through the Consortium of Private Sector Education Organisations in Haiti (COSPE), an initiative supported by Unibank.

4.1.6 Support further research on the impact of partnerships on the effectiveness and efficiency of humanitarian response

In the span of a few years, numerous innovative collaborations have taken place among humanitarian agencies and businesses in Haiti. Reports, studies and news articles on these experiences focus mainly on outputs and technical lessons on how services could be improved in the future. Very little research has been done on their impact on the quality and efficiency of humanitarian action. Donors and aid agencies could support research that fills this analytical gap by generating evidence on the impact of partnerships. Potential topics include:

- The use of new information platforms (e.g. through crowdsourcing, mapping mobile phone users) in humanitarian strategies and decision-making.
- The impact of emergency mobile money transfers on increasing medium-term access to mobile money and related services.
- The use of private donations in humanitarian response compared to bilateral and multilateral funding.

Interesting lessons were generated by building research into the HMMI; research and learning components should be integrated into initiatives that seek to further humanitarian and private sector engagement.

4.2 Looking forward

Experiences in Haiti reveal three overall benefits of private sector engagement for humanitarian action.

These are not guaranteed outcomes, but rather potential positive results of successful engagement. The first is access to technical expertise and services. Businesses provide services through commercial (and pro bono to a lesser extent) arrangements that bring knowledge, systems and outreach that are lacking or under-developed in the humanitarian sector – providing cash transfers through banks and mobile phones and reaching large numbers of people with text messages are notable examples, as is the prompt restoration of communication services through NetHope. Access to technical expertise and services enables humanitarian actors to work more effectively, and responds to the commercial and philanthropic motivations of businesses.

The second benefit is increased resources and capacity. The provision of goods and services free of charge to humanitarian agencies, as well as fundraising, increases the resources of aid agencies when done appropriately. Companies raised millions of dollars that contributed to the large amount of flexible, private funding for the humanitarian response. However, not all pro bono actions will be beneficial if the opportunity costs of engagement are high, if the goods and services offered are not the most appropriate for emergency response or if the engagement compromises humanitarian principles. Furthermore, the ready availability of funding, goods and services through these channels for lower-profile emergencies is far from certain.

Third, humanitarian and private sector collaboration presents an opportunity to support economic recovery. A thriving private sector is crucial for economic recovery, and the livelihoods of people affected by disaster and their access to goods and services cannot be separated from it. Supporting the private sector is not a direct goal of humanitarian action, but can be done indirectly through market-based interventions (e.g. provision of cash and vouchers) and local procurement.

While the focus of this paper is on the potential for increased engagement between humanitarian actors and the private sector, it would be remiss not to emphasise the impact of humanitarian aid on markets and businesses. Understanding and supporting markets has risen up the humanitarian agenda in part because of the growth of cash transfer programming. The perception that aid agencies are operating without regard for local markets, and the negative impacts that free and imported goods have had on local businesses,

⁶ See Weber (2012) for more discussion on the potential to work with the Digicel Foundation on this issue.

have created barriers to strategic engagement between aid agencies and businesses. More importantly, it is likely to have resulted in negative impacts on businesses that were unnecessary, when humanitarian aid has the potential to impact markets for the better.

Agencies should adopt a ‘do no harm’ approach to the local economy – analysing the potential impacts (positive and negative) of interventions on local markets and businesses, and maximising contributions where appropriate. Such efforts should consider that some businesses and institutions have more favourable outcomes for the poor than others. Are approaches supporting monopolistic institutions or smaller and less formal businesses and service providers? Where the direct provision of goods and services is deemed to be the most appropriate way to meet humanitarian objectives, measures to minimise negative repercussions should be considered. This paper did not look closely at how humanitarian responses can facilitate access to basic services in ways that support, or at least do not undermine, public and private provision of services, but this is an important issue in Haiti. Increased attention to the economic impacts of humanitarian response is important if humanitarian agencies and businesses are to move forward with productive arrangements that capitalise on their mutual strengths.

Relations between humanitarian agencies and businesses in Haiti are surrounded by a cloud of mistrust. There are some valid reasons for this – imported goods, distributions and free services by aid agencies have damaged local businesses, and the private sector is poorly regulated with a

small number of very powerful players. However, several aid agencies and businesses have moved past these barriers and found common ground based on reaching Haitians affected by disaster and capitalising on private sector expertise. Aid agencies, mobile phone companies, technology firms and financial services have worked together to provide, receive and process information; to deliver money through existing mechanisms; and even to create new platforms for delivering cash and vouchers. Documentation of these initiatives focuses on processes and technical lessons, and the evidence base would benefit strongly from additional analysis on their actual and potential role in increasing the effectiveness, impact and efficiency of humanitarian action. Identifying platforms through which experiences can be shared, and which can facilitate engagement between aid agencies and businesses, could prove a useful way forward.

Collaborations were a product of specific features of the Haitian context, including harnessing the flexibility of the private sector and the goodwill of businesses seeking to find ways to help after the earthquake. While there is much that can be learned and applied elsewhere, a strong understanding of context, including the local private sector, must always be the starting point for collaboration in any disaster setting. Haiti is a very complicated environment in which to run a business or deliver humanitarian aid, but by capitalising on the strengths of both sectors, aid agencies and businesses have created ways to provide assistance that can be supported in Haiti and beyond.

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Annex 1

Interviewees

Edouard Boussan	Unibank
Maarten Boute	Digicel Group
Myra De Bruijn	Actionaid Haiti
Ainsley Butler	Building Markets
Emmett Fitzgerald	ILO Haiti (former)
Yves Horent	DFID
Diane Johnson	Springfield Centre
Sandrine LaRoche	Oxfam GB Haiti
Peter McNichol	Concern Worldwide Haiti
Rebecca Pankhurst	UNICEF, Chief of Emergency
Johan Peleman	OCHA Haiti
Kyla Reid	GSMA
Marie-Louise Augustin Russo	AGERCA
Janne Suvanto	WFP Haiti
James Weber	Independent Consultant

Annex 2

The Haitian economy

Haiti is a free-market economy with tariff-free access to the United States for many of its exports. Two-thirds of Haitians work in the agricultural sector, mainly small-scale subsistence farming, and clothing manufacturing accounts for about 90% of Haitian exports and nearly 10% of GDP. Remittances are the primary source of foreign exchange, equalling nearly 20% of GDP and more than twice the earnings from exports. In 2005 Haiti paid off its arrears to the World Bank, paving the way for reengagement with the Bank.

Haiti received debt forgiveness for over \$1bn through the Highly-Indebted Poor Country initiative in mid-2009. The remainder of its outstanding external debt was cancelled by donor countries following the 2010 earthquake, but has since risen to over \$600m. The government relies on formal international economic assistance for fiscal sustainability, with over half of its annual budget coming from outside sources. In 2011 the Martelly administration launched a campaign aimed at attracting foreign investment into Haiti.

Economic indicators

GDP (purchasing power parity)	\$13.13 billion (2012 est.)
GDP (official exchange rate)	\$7.895 billion (2012 est.)
GDP – real growth rate	3.4% (2013 est. IMF)
	2.8% (2012 est. World Bank)
	5.6% (2011 est.)
	–5.4% (2010 est.)
GDP – per capita (PPP)	\$1,300 (2012 est.)
GDP – composition by sector	agriculture: 25.7%
	industry: 19%
	services: 55.3% (2012 est.)
Population below poverty line	80% (2003 est.)
Labour force	4.81 million
Unemployment rate	40.6% (2010 est.)
Gini index	59.2 (2001)
Investment (gross fixed)	28% of GDP (2011 est.)
Budget	revenues: \$1.35 billion
	expenditures: \$1.446 billion (2012 est.)
Taxes and other revenues	17.1% of GDP (2012 est.)
Inflation rate (consumer prices)	5.9% (2012 est.)
	8.4% (2011 est.)
Stock of domestic credit	\$2.04 billion (31 December 2012 est.)
	\$1.893 billion (31 December 2011 est.)
Agriculture – products	coffee, mangoes, sugarcane, rice, corn, sorghum, wood
Industries	textiles, sugar refining, flour milling, cement, light assembly based on imported parts
Current account balance	–\$1.509 billion (2012 est.)
	–\$1.728 billion (2011 est.)
Exports	\$801.7 million (2012 est.)
	\$767.5 million (2011 est.)
Exports – commodities	apparel, manufactures, oils, cocoa, mangoes, coffee
Exports – partners	US 83.9% (2011)
Imports	\$2.928 billion (2012 est.)
Imports – commodities	food, manufactured goods, machinery and transport equipment, fuels, raw materials
Imports – partners	Dominican Republic 31.5%, US 25%, Netherlands Antilles 8.6%, China 7.1% (2011)
Debt – external	\$854.7 million (31 December 2012 est.)
	\$674.6 million (31 December 2011 est.)

Source: CIA, 2013; IMF, 2013; World Bank, 2013.

Annex 3

Specific programming recommendations on humanitarian–private sector partnership cited in Weber (2012)

WASH

- Conduct capacity and quality analysis of private water delivery and treatment companies.
- Undertake contingency planning which includes the private water industry under contracted LTAs or written MOUs.
- Provide training to WASH and health sector companies on post-disaster resilience.
- Undertake analysis of capacity and quality of private hospitals.

Health

- Create a registry of doctors and hospitals by region to allow for emergency communications and engagement.
- Form a Health Sector Coordination and Response Engagement Representative Body, comprised of members of the health private sector, the faith-based hospital network, the public health sector and the Ministry of Health.

Logistics

- Create a private sector disaster contingency plan for logistics, with a focus on developing Memoranda of Understanding and long-term agreements.
- Disaster preparedness and operations training for vital companies (e.g. firms supplying foodstuffs) and informal suppliers of basic goods.
- Maintain communication channels with informal economy representatives (e.g. Association of Haitian Proprietors and Chauffeurs).

General communication with the private sector

- Maintain communication channels to private sector associations and provide financial support for AGERCA.

Insurance and finance

- Maintain communication with insurance and finance representatives for participation in preparation and response.
- Partner with Alternative Insurance Compagnie of Haiti to implement response training for private insured businesses.
- Partner with Fonkoze to implement business continuity training for private insured merchants of basic goods.
- Facilitate coordination of Scotiabank/Tchou Tchou Mobile Money to provide relief funds to isolated areas.

Communications

- Partner with Digicel to integrate Telecom Emergency Service Numbers.
- Partner with Digicel in ‘Mutual Assistance Package’ partnership (i.e. emergency communications concessions in exchange for international assistance in repairing equipment following disruption from cyclones).
- Improve disaster response messaging and preparedness training via television and radio

HPG

Humanitarian Policy Group

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village near the cathedral, Haiti,
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