



# Connecting Business initiative

## Update on 2017 Progress

This paper was prepared by:<sup>1</sup>



### Background and Executive Summary

The Connecting Business initiative (CBI), launched at the World Humanitarian Summit in May 2016, aims to transform the way the private sector engages before, during and after crises. It is the only joint initiative between United Nations organizations that engages the private sector at the intersection of the humanitarian, development and peace agendas.

The private sector typically contributes in a variety of ways, including through direct financial or in-kind contributions; by leading the development of new technologies and innovations; by developing sustainable commercial models; and by strengthening their own resilience and that of their employees to better weather and recover from disasters and ultimately minimizing risks to their investments. As part of the World Humanitarian Summit consultations, private sector stakeholders pinpointed that much more could be achieved in partnership with the private sector through an effective global coordination mechanism and a clear entry point for the private sector to better engage before, during and after crises. This resulted in the launch of CBI at the Summit by private sector representatives, Member States, UN agencies and non-governmental organizations (NGOs).

The Connecting Business initiative is operated by a Secretariat which is jointly managed by OCHA and UNDP and supported by eight global partners (in alphabetic order): the Boston Consulting Group, Conrad N. Hilton Foundation, European Union (EU) Enhanced Response Capacity, Government of Australia, Government of Belgium, International Federation of Red Cross and Red Crescent Societies (IFRC), United Nations Global Compact and The UPS Foundation. CBI supported 13 private sector networks around the world in 2017: in Côte d'Ivoire, Fiji, Haiti, Kenya, Madagascar, Mexico, Myanmar, Nigeria, Pacific, Philippines, Sri Lanka, Turkey and Vanuatu. These networks have a combined membership of over 500 companies. They collaborate with governments, NGOs and international actors at regional, national and local levels.

By supporting country-level networks and focusing on the role of the local private sector, CBI contributes especially to the Agenda for Humanity transformation **#4 Work differently to end need** (Reinforce local systems, anticipate crises, transcend humanitarian-development divides) and **#5 Invest in Humanity** (invest in local capacities, invest according to risk, invest in stability, shift from funding to financing and diversify resources and increase efficiency).

<sup>1</sup> This paper was authored by the CBI Secretariat, with contributions from OCHA and UNDP. The views expressed in this paper are those of the authors and do not necessarily reflect the views of the United Nations Secretariat.

## Data sources

This report is based on the CBI Annual Survey 2017, [CBI Progress Report 2017](#) as well as the PACT reporting data. 11 organisations (in alphabetic order: East Africa Humanitarian Private Sector Partnerships Platform, European Union, Government of Australia, Government of Belgium, Philippine Disaster Resilience Foundation, Telma Foundation, UNIDO, UNDP, The UPS Foundation, OCHA and World Vision) reported their commitments to CBI.

## Achievements to date

In 2017, CBI **supported 13 networks around the world** in strategically engaging the private sector in disaster management. These networks have a combined membership of over 500 companies. **Three new networks were launched** in 2017: Côte d'Ivoire, the Pacific and Vanuatu. **Eight of the CBI-supported networks responded to crises<sup>2</sup>**, working alongside national and international actors in organizing information campaigns, assisting affected communities, rebuilding critical infrastructure and helping in recovery. In addition, networks — including those that did not experience disasters in 2017— **worked on disaster preparedness and resilience**, taking part in simulation exercises, engaging in advocacy and national dialogues, building information and communication systems, and providing business continuity trainings, especially to micro-, small- and medium-sized enterprises (MSMEs).

Some of the CBI Member Networks provided information on the value of their **contributions to resilience building and humanitarian action, estimated at just under US\$20 million** (comprised of over \$4 million in financial and \$15 million in in-kind contributions). The value of engagement, however, vastly exceeds the direct value of the above-mentioned contributions, as the private sector also supports the building of national and community-level resilience by providing core skills and developing innovative solutions—elements that are critical to the sustainability of local economies and to the fabric of society.

Together with the Boston Consulting Group, **CBI developed two global flagship tools** to promote good practices and improve the efficiency of Member Networks. Some CBI Member Networks and other partners developed local tools, particularly for Business Continuity Planning to educate business leaders, particularly SMEs, on disaster preparedness and business resilience.

CBI raised awareness of and advocated for private sector engagement in disaster management by supporting **23 global and local events**. CBI received 132 media mentions in 2017. This media coverage, through outlets such as Al Jazeera, Devex, Euroinvest and the World Economic Forum, reached an **audience of over 129 million people**. CBI updated its online portal [www.connectingbusiness.org](http://www.connectingbusiness.org) to promote best practices, share lessons learned and create an online community. The **portal attracted a global audience from 157 countries**.

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<sup>2</sup> Fiji: flooding, landslides, tsunami alerts / Kenya: drought, refugee camps, election preparedness / Madagascar: Cyclone Enawo response, pneumonic and other plagues / Mexico: earthquakes / Nigeria: internally displaced people / Pacific and Vanuatu: volcanic eruption (Vanuatu) / Philippines: typhoon, earthquakes, Marawi conflict / Sri Lanka: floods, drought, dengue, urban disaster.

**Examples from the PACT – Agenda for Humanity self-reporting on actions taken by members/signatories to advance the Connecting Business initiative (some slightly shortened)**

*Between 2016 – 2018 Australia supported the region-wide efforts to establish a Connecting Business initiative (CBI) in the Pacific (\$300,000 contribution). – **Government of Australia***

*Covering the fiscal year 2017, Belgium has contributed EUR 270,000 to the Connecting Business Initiative (CBI), a platform to engage the private sector upfront before disaster strikes. With this contribution, Belgium has been the very first country that has kept up to its stated support to CBI made at the WHS. – **Government of Belgium***

*The Conrad N. Hilton Foundation continued to be an executive resource partner in 2017 for the Connecting Business initiative. -- The Foundation remains actively engaged in supportive activities to help bring in additional resource partners to help continue funding this initiative. – **Conrad N. Hilton Foundation***

*The Philippine Disaster Resilience Foundation (PDRF), supported by the Connecting Business initiative, is spearheading the drafting of the National Action Plan. This will be used as a 'road map' indicating the vision and strategic objectives of the non-government sector for the next 3-5 years. – **Philippine Disaster Resilience Foundation***

*The East Africa Humanitarian and Private Sector Partnerships Platform (HPPP) was instrumental in engaging the private sector, local businesses and other key humanitarian stakeholders on general elections' preparedness in Kenya with the election period beginning August 2017. – **The East Africa Humanitarian and Private Sector Partnerships Platform***

*The EU provided €450,000 in support to the UN-led Connecting Business initiative (CBI), which helps businesses prepare for and respond to crises, disasters and complex emergencies in developing countries. – **The European Union***

## **The obstacles/impediments to progress**

Some of the most critical impediments mentioned in the PACT reports to advance the initiative and its objectives relate to buy-in from donors, funding availability and funding amounts. Plans of scaling up this project have been adjusted as a result, for example, by having to slow down the pace at which new networks are absorbed into CBI.

In principle there is buy-in from many donors towards private sector engagement, however, in practice it does not translate into flexible funding to fill gaps and help to truly strengthen public-private partnerships to support disaster relief, response, and resilience building at the country level.

There is a tendency in the traditional donor community to think that the private sector has money and should find funds to pay for the work to build the structures for more coordinated disaster management work. However, the private sector does not have such budgets for activities outside its core business and especially the MSMEs are not well resourced. By providing catalytic funding, however, the traditional donor community could unleash a lot more resources and capacities from the private sector. Some governments, like Australia and Belgium and philanthropic foundations

are already playing a great role in this, especially through the Conrad N. Hilton Foundation and The UPS Foundation who are supporting CBI at the global level and corporate foundations like Telma Foundation who supports CBI work at local level. However, resource mobilization has also been challenging because traditional donors often categorize humanitarian and development funds separately, making it challenging for initiatives like CBI that operate at the humanitarian-development nexus to find the right counterpart and/or apply for funding.

The financial constraints apply to the CBI Member Networks as well. They are just learning how to organize themselves, set sustainable structures, and reach financial sustainability. Partnership with the private sector takes time and strong coordination efforts. Proposals to donors and negotiating and finalizing agreements takes time; at the same time results and progress are expected before implementation can start. At the private sector networks level, financial sustainability usually requires donor or philanthropic support to gather a sufficient membership base, develop a set of activities that are valuable to members and design a sustainable model that fits the local context before the activities can be funded through member contributions or other sustainable sources. Some networks have managed to get to financial sustainability, but many are still in the process of developing their model. Every context is different and while guidance can be given based on good practice, customization is always needed to fit the local context.

The diversity of the private sector is another factor and it is important to include all private sector entities, from micro to large companies, while developing services targeting different categories. Large companies have resources, skills and influence that can be extremely valuable while micro-small- and medium-sized companies have a major role to play in communities as employers and source of livelihoods. Preparedness and building the resilience of all private sector actors helps to improve community resilience. Local private sector entities are also often the first responders in emergencies. Bringing the MSMEs on board requires more support.

Other challenges mentioned in PACT reports include: a) adherence to standards and/or humanitarian principles which CBI is addressing through webinars and guidance materials as well as due diligence procedures; b) institutional/internal constraints which relate to both the organisations themselves who submitted the reports as well as the traditional humanitarian community and requires a lot of work in terms of education, sharing good practices and brokering collaboration in this rather new field; c) human resources/capacity which also relates to the issue of resource mobilization mentioned earlier; d) multi-stakeholder coordination which the initiative was set up to address to help the private sector to be included in the coordination structures; and e) strengthening national/local systems which includes the local private sector.

## Recommendations

While notable progress has been made in advancing the Agenda for Humanity through the Connecting Business initiative, a lot of work remains to achieve the targets set and the impact the initiative is aiming for.

1. The UN and donor governments should provide increased institutional support and systems to enable greater private sector engagement in disaster prevention, preparedness, response and recovery. Funding streams should be adapted and made available to support initiatives working together with the private sector in the humanitarian – development nexus.
2. CBI Member Networks require continued support to set up sustainable structures and activities. While good practices have started to emerge and there has been good progress, there are also gaps. In 2018 CBI will continue supporting its Member Networks and also start new work streams on innovation and new technologies, impact measurement and complex emergencies.
3. More emphasis should be placed on including the MSMEs especially in fragile contexts into disaster management efforts and building their resilience and helping them to recover after emergencies in collaboration with large companies and humanitarian actors.
4. Concerted efforts should be made to engage the younger generation in humanitarian action for example through social enterprise start-ups in disaster management. CBI networks in the Philippines, Sri Lanka and Mexico have already started related activities through development of innovation challenge contests, app development etc. but further effort should be made to systematically engage the youth and especially young women.
5. Hundreds of private sector representatives participated in the World Humanitarian Summit and many Member States, NGOs and other partners pledged their support to private sector related areas<sup>3</sup>. However, only 11 organisations reported on their commitments in this area. Further efforts should be made to encourage more partners to report on their activities through PACT to get a complete picture, advance impact measurement and reporting.

#### About this paper

All stakeholders who made commitments at the World Humanitarian Summit (WHS) in support of advancing the Agenda for Humanity were invited to self-report on their progress in 2017 through the Platform for Action, Commitments and Transformation (PACT) ([agendaforhumanity.org](http://agendaforhumanity.org)). The information provided through the self-reporting is publicly available and forms the basis, along with other relevant analysis, of the annual synthesis report. The annual synthesis report will be prepared by OCHA and will highlight trends in progress, achievements and gaps that need more attention as stakeholders collectively work toward advancing the 24 transformations in the Agenda for Humanity. In keeping with the multi-stakeholder spirit of the WHS, OCHA invited partners to prepare short analytical papers that analyze and assess self-reporting in the PACT, or provide an update on progress on initiatives launched at the World Humanitarian Summit. The views expressed in this paper are those of the authors and do not necessarily reflect the views of the United Nations Secretariat.

<sup>3</sup> [Commitments to Action report](#), 2016