For profit and progress: Rethinking the role of the private sector in humanitarian action

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Cover image: A worker refills oxygen cylinders in Nepal, where private sector engagement in the pandemic response and management has become critical in mitigating the crisis © Save the Children Nepal
Abstract

Key global frameworks and guiding strategies including the Sendai Framework for Disaster Risk Reduction 2015–2030 highlight the value of the private sector in the fields of humanitarian action and disaster risk management (DRM). Nonetheless, the fundamental ‘business case’ for commercial enterprises to be actively engaged in DRM and addressing humanitarian crises still requires further examination and evidence-based consideration to determine mutually beneficial value addition. This paper provides a conceptual overview of the shift in the private sector’s engagement in humanitarian action and DRM. It also considers how such engagement with the private sector has corresponded with a heightened recognition for commercial enterprises to safeguard their own business operations from disaster events while implementing development interventions that address the needs of populations affected by disasters.

Leadership relevance

The United Nations has identified the private sector as a “key actor to achieve change” in the humanitarian sector, with commercial enterprises assisting traditional stakeholders such as governments and development partners to manage various crises. The increasingly prominent role that the private sector is playing in humanitarian action has challenged collective assumptions about which organisations can make meaningful contributions to the overall humanitarian system. This paper serves as a call to action for those business leaders who will be required to play an important role as ‘humanitarian leaders’ to advocate the value of businesses alongside traditional humanitarian stakeholders.
Introduction

Disaster events have doubled in frequency from 4,212 in the period 1980 to 1999 to 7,348 between 2000 to 2019 (Centre for Research on the Epidemiology of Disasters, 2019). The increasing occurrence of disasters coupled with climate change affects entire communities, nations, and regions. The trend has prioritised the need to engage a wide range of stakeholders and responders in humanitarian action and disaster risk management (DRM). Governments, humanitarian organisations, and civil society organisations (CSOs) have had a longstanding role in building resilience and mitigating the impacts of disasters. The private sector has traditionally been classified as a non-actor in DRM and humanitarian work. However, intensified disaster impacts on enterprises have heightened recognition of the sector's value in participating in disaster-related action.

This paper analyses how the private sector has actively and increasingly been engaged in DRM and humanitarian work. It examines the role of the sector in several countries in Asia through selected case studies. The increasingly prominent role that the private sector is playing in humanitarian action has challenged collective assumptions about which organisations can make meaningful contributions to the overall humanitarian system. This paper likewise serves as a call to action for business leaders to continue playing an important role as ‘humanitarian leaders’ by advocating the value of businesses alongside traditional humanitarian stakeholders.

Private sector contributions to humanitarian action and disaster risk management

Events that cause serious disruption to the function of societies as well as result in human, material, or environmental losses that exceed the ability of the affected populations to cope using their own resources are known as humanitarian crises (IASC, 2015). Such events require humanitarian action that is delivered mainly on the basis of need (Hocho and Girschik, 2019). The involvement of businesses in humanitarian action has grown considerably in recent years. They are particularly active in relief operations such as cash donations, in-kind goods, and access to critical infrastructure (Cozzolino, 2021; Fuchs and Ohler; 2021). The sector acts as suppliers, donors, and operational partners in humanitarian action (Humanitarian Leadership Academy, 2019).

The private sector has been identified as a “key actor to achieve change” in the humanitarian sector (United Nations, 2016). It leverages its own expertise, resources, and influence to address the humanitarian needs of the affected populations. The sector goes beyond providing immediate relief to contribute to sustainable peace and development (UNOCHA, 2017). Businesses are now viewed as a key stakeholder in supporting localised humanitarian action. Their participation is important given the growing complexity of emergencies that require the coordinated action of a wide range of stakeholders (UNOCHA, 2019). Humanitarian actors have transitioned from short-term results towards the widely acknowledged need for better alignment of development, humanitarian, and peace-building efforts. This serves to address the root causes of humanitarian crises (UNDRR, 2021). Moreover, local actors play an important role in humanitarian action. They serve as a representative voice of the community affected by crises and disasters (Vera and Brusola-Vera, 2021). The private sector has also been classified as a local actor.

Businesses are now viewed as a key stakeholder in supporting localised humanitarian action.

Funding of support for humanitarian assistance from the private sector totaled USD$6.6 billion between 2011 and 2015. It is an indication of how commercial enterprises may potentially assist traditional stakeholders such as governments, development partners, and non-governmental organisations (NGOs) or CSOs in their efforts to respond to and manage crises (Development Initiatives, 2017). The progressive collaboration between these actors and private enterprises has increasingly expanded beyond financial support. Development partners, including those at the forefront of DRM interventions, have published guidelines to direct their collaboration and partnership with the private sector (USAID, 2018; Razeq, 2014).

The private sector’s engagement in DRM has extended beyond requesting businesses to donate or contribute financially to disaster response, reconstruction, or rehabilitation efforts towards a recognition of a partnership approach with businesses at different levels. Such collaborations can advance collective causes between stakeholders from different sectors, including those focused on reducing the impacts of disasters on vulnerable populations (Connecting Business initiative, 2021; Taylor et al, 2016). The capacity for businesses to “enhance collaborative arrangements by providing technical expertise, efficient organisational skills and innovative approaches to DRM practice” has been documented by development partners (UNESCAP et al, 2015). The strong possibility for such interventions is associated with the private sector’s “abundant resources, expertise and technology” and that these “expertise and capacities can be mobilised for collaborative efforts towards disaster risk reduction” (Izumi et al, 2016).
Moreover, the private sector is already heavily involved in disaster reduction either through philanthropic or charitable purposes, or via commercial engagement as part of their core business through the provision of expertise or supply of goods and services (Twigg, 2002). This tangible engagement in disaster management has manifested itself in several different ways, including direct assistance to communities, disaster preparedness for enterprises themselves, developing innovative products based on business technology and expertise, and joint projects with NGOs, governments, and international organisations as co-implementers, as well as the establishment of private foundations, NGOs, and trusts with a mandate for addressing disaster-related challenges (Izumi et al, 2016).

**Evolution of private sector engagement**

The private sector has not always been actively involved in humanitarian action and DRM. Businesses historically viewed disasters as a responsibility of the government. Initiatives related to corporate social responsibility were seen to primarily benefit businesses. A majority of the documented experience of corporate social responsibility initiatives for disaster reduction were from developed countries and deemed “superficial, promotional, or anecdotal” (Twigg, 2002). Over time, the private sector has become increasingly involved in humanitarian action, focusing on disaster response and rehabilitation efforts. However, businesses are criticised as focusing on specific projects rather than industry-wide initiatives and as being reactive rather than proactive (GFDRR, 2020; World Economic Forum, 2008).

The perspective of the private sector on humanitarian action and DRM is no longer constrained to business continuity. Aside from working to lessen the potential impacts of disasters on their businesses, the private sector has started to further invest in efforts to reduce the vulnerabilities of local communities where their workforce resides. The private sector is also encouraged to integrate DRM into its business models (United Nations, 2019). This includes the combination of enterprise risk management and business continuity management mechanisms (UNDRR, 2020).

**Aside from working to lessen the potential impacts of disasters on their businesses, the private sector has started to further invest in efforts to reduce the vulnerabilities of local communities where their workforce resides.**

Izumi and Shaw identify various ways that the private sector is involved in disaster risk reduction measures (Izumi et al, 2016). These include direct assistance to communities; disaster preparedness for their own business; development of innovative products; joint projects with other stakeholders in disaster risk reduction; and the establishment of private foundations, NGOs, and trusts. To further encourage private sector involvement in disaster risk reduction, key issues of legislation, incentive, and engagement must be addressed. These are considered mechanisms for effective private sector involvement (Izumi et al.).

There remains a concern for the holistic nature and long-term sustainability of disaster risk reduction interventions of the private sector. It is reported that some companies still focus on the short-term business gains of their disaster risk reduction efforts. Moreover, many businesses still maximise their income potential at the expense of fragile ecosystems where they operate (United Nations, 2019). Despite this, it is important to note that there are now more cases wherein the government and the private sector work together by “expanding business sector response and recovery responsibilities beyond simple self-preservationist activities” (International Recovery Platform, 2016).

**Instead of working solely towards disaster risk reduction efforts that promote their self-interest, the private sector is investing in resilience-building initiatives that grow businesses and promote sustainable development**

The private sector has become increasingly involved in resilience building at the local, national, and global levels. While businesses are adversely affected by climate change and disasters, they are seen as possible agents of change in building their resilience and that of local communities (UNDP, 2017). It is common to see many businesses compete commercially with one another. Despite the competition, there is a growing realisation that their collective and concerted efforts on all phases of disaster management can benefit their own companies as well as the communities in which they operate (International Recovery Platform, 2016). With a growing number of private sector entities joining the global drive for disaster risk reduction and resilience, “change is accelerating and is expected to be profound” (Johnson et al, 2015). Instead of working solely towards disaster risk reduction efforts that promote their self-interest, the private sector is investing in resilience-building initiatives that grow businesses and promote sustainable development (Abe et al, 2019).
The Asia region as a pioneer in engaging the private sector

Stakeholders from the private sector, development partners, and governments in the Asia Pacific region are all at the forefront of private sector involvement in the field of disaster management (GFDRR, 2020; UNESCAP et al, 2015). Regional organisations in Asia such as the Association of Southeast Asian Nations (ASEAN), South Asian Association for Regional Cooperation (SAARC), and Asia-Pacific Economic Cooperation (APEC) have been strong advocates to enhance the private sector’s involvement in disaster risk reduction in the region, in particular, facilitating cooperation between corporates and national governments (Chatterjee et al, 2015).

Business associations and chambers of commerce in different Asian countries have also formalised their contribution to disaster management through membership and active contribution to private sector initiatives coordinated by global and regional development partners such as the United Nations Alliance for Disaster Resilient Societies (ARISE) network and Connecting Business Initiative (CBI) as well as the Asian Preparedness Partnership (APP) platform pioneered by the Asian Disaster Preparedness Center (ADPC) (Abe et al, 2019; Medel et al, 2020). At the country level, the Philippines Disaster Resilience Foundation (PDRF) is an example of a private sector-led focal organisation to coordinate private sector contributions to disaster management efforts (United Nations, 2019; Medel et al, 2020.).

The following case studies demonstrate various aspects of private sector engagement in humanitarian action and DRM in Asia. These range from examples of successful models of private sector engagement that have been shared as good practice across the region; to efforts at raising awareness and sensitising the business community; to adaptation of practical tools for disaster resilience which can be utilised by enterprises; as well as cases where the traditional conceptions of ‘public–private partnerships’ (PPPs) have undergone an evolution in the context of disaster management.

Multi-stakeholder approaches as a catalyst for greater private sector engagement

Platforms, comprised of stakeholders from both for-profit and nonprofit sectors, have served to enhance the engagement of the private sector in humanitarian action and disaster management by providing “a space/interface in which different actors, skills, abilities, resources, knowledge, objectives, or needs could be more

![Figure 1: APP national preparedness partnerships consist of governments, local humanitarian networks, and the private sector. Data source: https://app.adpc.net/about-app/](image)
easily finalised in a concrete interaction” (Cozzolino, 2021). An added value of platforms is that they “provide a clear access point for the private sector to engage in humanitarian action and to help overcome common challenges to engagement” (Oglesby and Burke, 2012).

The Asian Preparedness Partnership is a multi-sectoral regional partnership. It seeks to establish safer and well-prepared communities through locally-led DRM actions to reduce the impacts of disasters on at-risk communities in Asia. This partnership model engages local non-governmental organisations (LNGOs), the government, and the private sector in its member countries to achieve this goal (see Figure 1). The partnership model has been implemented in six countries—Cambodia, Myanmar, Nepal, Pakistan, the Philippines, and Sri Lanka. It seeks to promote preparedness for emergency response in these countries and beyond to improve inter-organisational coordination and dialogue among the partners.

The types of private sector partners engaged vary depending on each of the country contexts (see Figure 2). The “approach to business resilience advocated under the APP initiatives has centered on enhancing the disaster resilience of businesses themselves [by] ensuring enterprises can be adequately prepared for disaster events, recover quickly from disruptions, and even reduce disaster risks” as well as supporting the private sector in “contributing to efforts to enhance the disaster resilience of the communities and societies of which they are a part” (ADPC, 2018a, p. 9).

The Philippines as a leader in engaging the private sector in Asia

The private sector is integrated with humanitarian action in the Philippines. Moreover, the country is regarded as a leader in engaging the private sector in DRM in Asia. It exemplifies the valuable role that the sector can play in DRM as reflected in relevant legislation and policy frameworks (UNESCAP et al., 2015). Businesses have been active players in disaster resilience efforts at local, subnational, and national levels in the Philippines. In terms of disaster relief, the private sector has played a prominent role in organising relief operations, delivering donations, and other support to the general public in the country, and is also self-reliant in terms of resource mobilisation (ADPC, 2018a). “Some large enterprises work independently, preferring to channel resources through their corporate foundations as well as having established direct partnerships with national and local government agencies and specific local communities” (ADPC, 2018a, p. 21, which references International Labour Organisation, 2015). There has been a shift in the private sector towards investment in disaster resilience and proactive preparedness for disruptive events. The Philippine Disaster Resilience Foundation has advocated

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### Asian Preparedness Partnership country partnerships and private sector partners

<table>
<thead>
<tr>
<th>Name of national partnership</th>
<th>Main local private sector</th>
<th>Organisation type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparedness Partnership of Cambodia (PPC)</td>
<td>Federation of Associations for SMEs of Cambodia (FASMEC)</td>
<td>Business Association</td>
</tr>
<tr>
<td>Myanmar Preparedness Partnership (MPP)</td>
<td>Myanmar Private Disaster Preparedness Network (MPD-Network)</td>
<td>Private Sector Network</td>
</tr>
<tr>
<td>Nepal Preparedness Partnership (NPP)</td>
<td>Nepalese Chambers of Commerce and Industry (FNCCI)</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td>Pakistan Resilience Partnership (PRP)</td>
<td>Federation of Pakistan Chambers of Commerce and Industry (FPCCI)</td>
<td>Chamber of Commerce</td>
</tr>
<tr>
<td>Philippines Preparedness Partnership (PhilPrep)</td>
<td>Philippine Disaster Resilience Foundation (PDRF)</td>
<td>Private Sector Network</td>
</tr>
<tr>
<td>Sri Lanka Preparedness Partnership (SLPP)</td>
<td>Ceylon Chamber of Commerce (CCC)</td>
<td>Chamber of Commerce</td>
</tr>
</tbody>
</table>

**Figure 2:** Summary of APP country partnerships and private sector partners. Data source: ADPC (2018a)
a holistic approach to DRM as reflected in its changing priorities from a ‘reactive’ focus on disaster recovery processes towards ‘proactive’ disaster preparedness and recovery (UNOCHA & DHL, 2016).

The Philippine Disaster Resilience Foundation was formed in the wake of Tropical Storm Ondoy (Typhoon Ketsana) in 2009 and was revitalised in the wake of Super Typhoon Yolanda (Typhoon Haiyan) in 2013 (Lucas, 2014). It has been actively involved in response and early recovery efforts. The Foundation coordinates in-kind support for affected populations with the understanding that the business sector would rather donate their goods than be asked to donate funding (Govinsider, 2021). Its coordination is not limited to the business sector. It also partners with governments and local and international organisations (Trajano, 2016). The organisation actively supports the national and local governments with provisions of necessary resources such as fuel, machinery, and manpower (Japan International Cooperation Agency, 2017).

It is worth noting that the Philippine Disaster Resilience Foundation is credited with launching the world’s first private sector-operated self-sufficient Emergency Operations Centre in 2017 (Connecting Business initiative, 2019). The Centre is utilised in the coordination of relief and response efforts during major disasters as well as in the conduct of training courses on disaster preparedness (UNOCHA and DHL, 2016). It also harnesses data from local and international sources to monitor hydro-meteorological hazards and pandemics (Philippine Long Distance Telephone Company, 2020), and remains active around the clock to monitor and coordinate help to areas affected by disasters. The Emergency Operations Centre’s advanced system ensures that it is capable of continuous operation even during worst-case scenarios (Philippine Long Distance Telephone Company, 2020). The centre also plays an important role in protecting the assets of the Philippine Disaster Resilience Foundation’s member companies as it maps data on public infrastructure to help protect them from hazards (Philippine Long Distance Telephone Company, 2020).

The Preparedness Partnership of Cambodia (PPC) is the national chapter of the Asian Preparedness Partnership in Cambodia. It was established with representatives from government-mandated agencies such as the National Committee for Disaster Management, the Cambodian Humanitarian Forum (CHF), and the Federation of Associations of Small and Medium Enterprises in Cambodia (FASMEC) in May 2018. The partnership was built on the foundations laid by the Cambodian Humanitarian Forum, which was formed in 2012 through a United States Agency for International Development Bureau for Humanitarian Assistance (USAID BHA) funded program on ‘Strengthening Emergency Response Capacity of NGOs in Cambodia’—designed to enhance the leadership capacity of NGOs in Cambodia. The Forum’s network of 120 NGOs has enabled the program to make notable progress in enhancing the capacity and readiness of local organisations in Cambodia to contribute to humanitarian action and disaster response. The forum presented a successful

**Mobilisation of the private sector through sensitisation and raising awareness**

Global and regional DRM policy frameworks underline the need for a multi-stakeholder approach that includes businesses (Abe et al, 2019; Medel et al, 2020). Development partners such as the UN and Asian Disaster Preparedness Centre have supported the implementation of these frameworks in mobilising the private sector through sensitisation and awareness-raising among business communities of the value of DRM in disaster risk-prone countries of Asia (United Nations, 2019; UNDRR, 2019). Since the inception of the Sendai Framework for Disaster Risk Reduction, the Asian Disaster Preparedness Centre has implemented many initiatives to support private sector engagement in DRM and uptake of business continuity management, originating with a project on strengthening the disaster resilience of small and medium enterprises (SMEs) in selected countries of Southeast Asia (United Nations, 2019; Mavrodieva et al, 2019). The Centre also promoted the concept of “business resilience” during two of its seminal regional forums in 2016 and 2017. These events facilitated the participation of businesses, development partners, and governments (ADPC, 2017a; ADPC, 2016).

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participation model for scaling up in the Asian region. It was further expanded under the Asian Preparedness Partnership as a multi-stakeholder platform that also encompasses government agencies and private sector organisations. Similarly to the Preparedness Partnership of Cambodia experience, the Myanmar Preparedness Partnership (MPP) is the national chapter of the Asian Preparedness Partnership in Myanmar. It was formed with representations from the government, the Myanmar NGO Consortium for Preparedness and Response Network (MNGO CPR Network), and the Myanmar Private Sector Disaster Management (MPD) Network.

Following on from the regional Asia Leadership Forum for Business Resilience conducted in December 2017, Cambodia and Myanmar were two of the notable examples where these respective country partnerships recognised a need for greater awareness-raising and sensitisation of the role that the private sector could play in humanitarian action and DRM. With technical support from Asian Disaster Preparedness Centre, both the Preparedness Partnership of Cambodia and the Myanmar Preparedness Partnership conducted their first dedicated business resilience forums. The events brought together key partners and stakeholders from governments, CSOs, and development partners to explore effective means of engaging the private sector in disaster preparedness and business resilience initiatives.

The forum conducted in Yangon in February 2018 was attended by over 100 participants. The Myanmar Preparedness Partnership was able to build on this momentum, with further support from USAID BHA, under the program ‘Strengthening Preparedness for Emergency Response through Multi-Stakeholder Cooperation’ from September 2018 to 2019. The national partnership “was able to enhance the multi-stakeholder coordination and partnership by further consolidating and scaling up [its] platform through amplification of information management, joint contingency planning, training curriculum development, and technical support to SMEs” (ADPC, 2021, p. 39). In addition, a National Business Resilience Forum was conducted in Cambodia in June 2018. It was the first dedicated platform organised for relevant key partners and stakeholders to come together and explore an effective way of engaging the private sector. While the overall engagement of businesses in humanitarian action and DRM planning processes and coordination in Cambodia remains low, the Federation of Associations for SMEs of Cambodia’s engagement in the multi-stakeholder platform has helped amplify the role of the private sector to some degree. In addition, the Preparedness Partnership of Cambodia continues to raise awareness and provide technical support to the private sector to stimulate more active and tangible engagement (ADPC, 2018a).

Including the private sector in multi-stakeholder platforms regarding humanitarian action and DRM has propelled their coordination and networking with traditional actors. These platforms have also built opportunities for different stakeholders to cooperate in the conceptualisation and implementation of tools that equip enterprises with greater resilience against disaster events. The following section will detail how such tools have been instilled into the business community of Sri Lanka through training events.

Business continuity planning as a tool to enhance the disaster resilience of enterprises

Practitioners have increasingly recognised the importance of business continuity planning and business continuity management as a tangible tool for private sector organisations in contributing to DRM, particularly in the context of Asian countries (Ono, 2015). Business continuity planning has been specifically highlighted as an appropriate tool that can be utilised by SMEs to enhance their resilience to disasters and other disruptive events (ADPC, 2017b).

The Ceylon Chamber of Commerce (CCC) in Sri Lanka advocates for the private sector to shift its focus from disaster response and relief efforts towards a disaster preparedness approach (ADPC, 2018a). The Chamber is an active member of the regional Asian Preparedness Partnership platform and its national chapter—the Sri Lanka Preparedness Partnership (SLPP). The private sector and responsible government agencies for disaster management in Sri Lanka advocate for business continuity planning as a means for commercial enterprises to build their resilience to external shocks, including natural hazard-induced disasters (Fernando et al., 2021).

The Sri Lanka Preparedness Partnership, in collaboration with the Asian Disaster Preparedness Centre, Ceylon Chamber of Commerce, the government of Sri Lanka and with support from Oxfam, organised a national training of trainers (ToT) workshop in July 2018 that sought to proliferate the concept of business continuity and advance cooperative efforts between relevant stakeholders in the country (ADPC, 2018b). The technical component of the business continuity management training was facilitated with support from Asian Disaster Preparedness Centre with the materials used having been contextualised for the Sri Lankan context. The event engaged 33 participants from micro, small, and medium enterprises (MSMEs), large corporations, and government officials overseeing private sector development and SME promotion, as well as NGOs engaging in training SMEs.
Utilising the cohort trained at the national level workshop, the business continuity training sessions have also been rolled out at the sub-national level. The events have been tailored to meet the needs of specific sectors, including the agricultural sector and financial institutions, with support from the Sri Lanka Preparedness Partnership (ADPC, 2018b). The adoption of business continuity approaches among institutions in the country is an example whereby regional organisations, with support from local agencies, have facilitated the uptake of tools that can enhance the disaster resilience of private sector enterprises.

The evolution of disaster events has progressively motivated novel approaches and the need for private sector engagement in humanitarian action and DRM. COVID-19 has emphasised the importance of incorporating mechanisms on public health into DRM policies and procedures. The following section will expound on ways of engaging the private sector in partnerships for health-related interventions and the role of the businesses in the public response to local emergency and disaster situations in Nepal.

In Nepal, private sector engagement in the pandemic response and management became critical in mitigating the crisis, as the public health system’s capacity was often exceeded at the provincial, municipal, and community levels. The experience of the private sector actors engaged in the Nepal Preparedness Partnership (NPP) has reflected this evolving paradigm. The traditional conception of public and private sectors collaborating on a project, often related to infrastructure concerns, has shifted towards partnerships in which the corporate sector is an active stakeholder engaged in emergency preparedness initiatives from their conception, through to their implementation and completion.

The Nepal Preparedness Partnership platform has facilitated large private sector entities in the country, including Nabil Bank and the Chaudhary Foundation, to work closely with government agencies and NGO networks in collaborating on a system to strengthen multi-hazard emergency preparedness in the context of the COVID-19 pandemic. These private sector partners engaged in a joint program to build the capacity of local health workers and humanitarian organisations in strengthening the local health systems. The training sessions were conducted in seven provinces of Nepal with 330 attendees from various sectors. The content focused on local level preparedness for health emergencies including the COVID-19 pandemic. Participants were familiarised with government issues and World Health Organisation (WHO) published information, education, and communication materials, as well as government-approved standard operating procedures, guidelines, and protocols. The sessions covered containment and mitigation processes as well as preparedness and response plans. In terms of COVID-19, the workshop detailed the myths and realities of the pandemic and risk communication materials available for accurate information sharing.

The private sector partners in Nepal also engaged in an after-action review of local frontline health workers and humanitarian organisations. It centered on capacity-building initiatives to strengthen local health systems. The event evaluated the role of stakeholders in strengthening community systems and investing in capacity-building initiatives for local health systems by exploring avenues for private sector involvement in projects and support on emergency preparedness.

Shifting perceptions of public-private partnerships in the backdrop of COVID-19

The aftermath of the 2015 earthquake in Nepal highlighted the role that the private sector can play beyond simply providing financial support or services as part of the response, recovery, and rehabilitation from disasters (UNOCHA and DHL, 2016; World Economic Forum, 2015). The corporate sector formally collaborated with the government and public sector agencies through PPP for reconstruction efforts in the wake of the disaster (Chatterjee, 2021). This catalysed private sector engagement in other aspects of DRM and emergency preparedness (UNOCHA and DHL; Thapa et al, 2015). The need to engage the private sector in proactive efforts for DRM in Nepal was reflected in the enactment of the country’s Disaster Risk Reduction and Management Act of 2017 that includes increased recognition and participation of the private sector in the overall DRM system. “In part, this was motivated by the experience of previous disaster events in the country; the private sector suffered over 75% of the total estimated damage and losses resulting from the 2015 Nepal Earthquake” (ADPC 2018a, p. 17, which references Government of Nepal, 2015).

More recently, the COVID-19 pandemic has underlined the need for a multi-sectoral response to large-scale disasters while emphasising the crucial role that the private sector now plays in assisting humanitarian action in different countries, including in Asia (Panneer et al, 2021; World Economic Forum, 2020). In Nepal, private sector engagement in the pandemic response and management became critical in mitigating the crisis, as the public health system’s capacity was often exceeded at the provincial, municipal, and community levels (Adhikari et al, 2020).
with a focus on health systems. Engaging businesses in response analysis has enhanced the private sector’s participation in multi-stakeholder partnerships while guiding the sector on the role it can play towards more holistic disaster resilience rather than merely providing funding for relief and reconstruction following disasters.

Conclusions

This paper highlights the active role that the private sector plays in humanitarian action and DRM, providing examples of businesses implementing their own initiatives and those where traditional stakeholders collaborate with businesses. To maximise private sector involvement in humanitarian action and DRM, businesses need to hurdle several challenges and barriers. They must also work closely with other stakeholders. Moreover, they should integrate disaster risks into their management practices. Finally, there is still a need to determine a definitive business case for the private sector to be a stakeholder in DRM, which is still predominantly seen as the primary responsibility of governments and development partners.

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Challenges and barriers to private sector engagement in humanitarian action and DRM

The case studies featured in this paper detail promising examples of active private sector engagement in humanitarian action and DRM. This includes instances of commercial enterprises implementing their initiatives as well as examples where the traditional stakeholders engaged in the field have been able to engage in positive collaborations with businesses. However, despite these successes, several challenges and barriers remain in engaging the private sector, particularly in the Asian region.

One of the key challenges identified by the Sendai Framework is for the private sector to work closely with other stakeholders in disaster risk reduction, including the government, CSOs, and academia (Abe et al., 2019). It is contended that on the ground, the private sector remains an “under-appreciated actor” in disaster management efforts in many countries in Asia (Chatterjee, 2021). Furthermore, practitioners from other regions have cautioned that private sector capacities should be leveraged to support and supplement overall disaster management initiatives rather than being regarded as a “panacea” to disaster management challenges such as resource limitation or technical expertise (Van der Berg, 2015). While there have been notable strides towards multi-stakeholder coordination, much can still be done to mainstream cooperation among these sectors. Therefore, the role of regional organisations and international development partners remains crucial as a facilitator to connect governments and NGOs with their private sector counterparts and identify common areas of interest for partnership and cooperation among these stakeholders.

Businesses also need to integrate disaster risks into their management practices (United Nations, 2015). This is especially true for micro and small enterprises that have less resources compared to large companies. Considering their exposure and vulnerability, it becomes more difficult for micro and small businesses to be engaged in humanitarian action and DRM initiatives. Without meaningful integration of disaster risks into their management practices, businesses will be focused on operational issues as they face disruptions. This in turn limits their engagement in development efforts intended for their partners and local communities (ADPC, 2017b).

While the value of private sector engagement in humanitarian action and DRM is now more widely recognised, there is still a lack of consensus about the definitive business case or motivation for the corporate sector to be a stakeholder in areas that are still primarily seen as the primary responsibility of mandated government agencies, development partners, NGOs, and CSOs. Ultimately, businesses of any size are a ‘for-profit’ endeavour and would need to be certain of the value of continued engagement in disaster management initiatives, whether it be at the global, regional, national, or local level. As such, there is still a pertinent need to establish a coherent and definitive ‘business case’ for businesses to be involved in humanitarian action and DRM, considering both the need to safeguard their operations in the face of disruptive events as well as to contribute to the overall resilience of the communities and societies in which they are embedded (UNESCAP et al., 2015; ADPC, 2017).

The increasingly prominent role that the private sector plays in humanitarian action and DRM has challenged collective assumptions about which organisations can make meaningful contributions to the overall humanitarian system. In this context, business leaders will need to play a decisive role as ‘humanitarian leaders’ by advocating the value of businesses alongside traditional humanitarian stakeholders.
For profit and progress: Rethinking the role of the private sector in humanitarian action


