

Disaster management and planning:

an IBLF framework for business response



IBLF
THE PRINCE OF WALES
INTERNATIONAL BUSINESS
LEADERS FORUM

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This IBLF Executive Briefing is aimed at providing the business sector with a basic framework that can assist them in developing their own response to natural and manmade disasters where a need and interest has been highlighted by the recent Asian tsunami disaster. Most transnational, national and larger local companies already have emergency response systems to deal with emergencies such as fires, floods, cyclones, hurricanes, earthquakes and terrorist incidents, and for international companies these have been developed since 9/11. Much can also be done to prevent and reduce impacts through concern about ecological impacts and 'do no harm' policies. This brief builds on the IBLF Management Brief issued following the Asian tsunami disaster (www.iblf.org/disaster) and aims to add further advice to those emergency planning systems. Most of the examples and proposed actions are well known and can assist companies in developing a checklist for their own disaster response planning, policies and practices.

Contents

Executive summary	
Three phases of disaster response	3
Action briefing	
Corporate impact on development and disaster management	4
Preemptive partnership planning	6
Phase 1: Rescue	9
Phase 2: Relief	12
Phase 3: Recovery	14
References and acknowledgements	18
Useful contacts of agencies active in the various phases of disaster response and examples of action during the Asian tsunami disaster illustrated in this brief.	

EXECUTIVE SUMMARY

The world is hit an estimated 300-500 times per year by natural disasters such as floods, droughts, earthquakes, storms, strong winds, torrential rains and mudslides. On average about 60,000 people die in these disasters – 95 per cent of them in developing countries generally more populous and geographically exposed¹. These disasters will continue to affect the lives of people and the societies they live in – and the businesses that operate in these communities. The challenge of rebuilding these communities is therefore not only the responsibility of governments and aid agencies, but also of those businesses which operate in these environments and communities – whether directly through company operations or indirectly through supply chains.

There are many organisations with specialist experience and skills in dealing with disasters. The IBLF role is not to substitute but complement this – defining a leadership vision, enabling companies to act as responsible citizens globally and in communities, facilitate partnerships, spread innovation and good practices and help cooperation emerging from emergencies to become enduring partnerships. Our contribution is based on 15-years' experience of working closely with the business sector in developing CSR policies and corporate citizenship programmes, including companies working in conflict areas and the tourism sector located in vulnerable locations. We recognise that governments and authorities at all levels have a key role to play in planning and providing relief – but businesses are also part of communities in terms of investment, trade, local sourcing, and have key roles to play, not least in locations where public authorities lack capacity.

The challenge is well illustrated by the extensive response by the business sector to the Asian tsunami disaster. The undersea earthquake off Indonesia, and the resulting freak surge of tsunamis across the Indian Ocean impacting 33,000 kilometers of coastline and communities, that swept thousands of unsuspecting villagers and holidaymakers to their deaths, left millions destitute and devastated communities and tourism facilities. As the death toll climbed, hotels became makeshift morgues, communities mourned, health risks rose and authorities and agencies engaged in the formidable relief task. Some of the proposals

in this brief can be used in the current recovery operation whilst others would be more relevant in order to plan for future incidents. The key to this is advance planning and recognition of the three stages defined in the 27 December 2004 brief by IBLF – Rescue, Relief and Recovery.

Most companies and business organisations can play a role, from small and medium enterprises to large national and multinational companies, and from local chambers of commerce to international business organisations. Employees have also demonstrated that they are keen to do something, often with their employers. Their impacts and contributions may vary in scale and scope, but the following **Disaster management and planning: an IBLF framework for business response** has relevance to all of them, as well as to people in the development community with an interest in working with the business sector. It aims to provide a basic overview with some illustrative examples, rather than an exhaustive analysis, and can assist in generating ideas for practical action.

IBLF is aware that long-term ecological damage to forests, watersheds, coastal areas and coral reefs, as well as over development and lack of safety standards in structures, from unbridled and unregulated development can itself be a factor in removing the protection from floods and inundation. It is vital that businesses of all sizes and types engage in sustainable development strategies that ensure protection and reduced exposure of poor communities to the impacts of disasters. The 'do no harm' principle is central to disaster prevention and mitigation.

This briefing provides a framework for companies and business coalitions, in partnership with the UN system, governments, other companies, relief NGOs and civil society organisations, to help deal with disasters and disaster affected areas. It also provides a framework to assist companies and others to define their role and actions as disaster affected areas move from immediate emergency and humanitarian needs to economic and structural recovery – setting the path back to sustainable development and economic growth.

¹ Financial Times. Kobe meeting to agree tsunami warning system, 17 January 2005

Three phases of disaster response

Business and industry leaders and their business partners should develop and adopt a three-point strategy for action – **rescue, relief** and **recovery** – and tuned to local circumstances. The three phases are based on the different responses needed and can broadly be described as responses needed in the short, medium and longer term.

1:RESCUE

(immediate and short term)

This phase starts immediately after the disaster and, depending on the scale of the disaster, could last for days. Main focus on rescue of people stranded, trapped and injured, and location of bodies. Making places safe. Locating employees. Meeting basic immediate needs for safe drinking water, food, medical attention, shelter, contact with families and notification of relatives and embassies, etc.

2:RELIEF

(medium term)

The second phase focuses on damage assessment and coordinating efforts to meet basic human needs. Coordination efforts to meet immediate tasks of humanitarian relief, coordinating locally with official and international relief efforts for water purification, food hygiene and feeding, care and shelter. Providing communication, logistics and infrastructure repair help. Access to remote locations. Collecting vital intelligence on people, damage, health risks and general status.

3:RECOVERY

(long term)

The third stage focuses on the rebuilding of destroyed infrastructure and a return to some level of normality and economic recovery. The crucial challenge of sustaining livelihoods of families, small business people and industry workers must be addressed as the crucial link to long-term self-help and mutual aid.

The first two phases are crucial elements in the immediate emergency and humanitarian needs. The third stage sets the path for the redevelopment of the economy that will have to follow. This is also a crucial stage as it bridges the emergency and humanitarian needs with long-term social and economic recovery – back onto the path of economic stability, growth and sustainable development. The third stage also focuses on the infrastructure and skills needs to set this path to the sustainable development or redevelopment stage.

The role of business in all three stages is crucial. Not only will business be affected, but plays a key role in supporting (and in some cases leading) certain aspects of the work at various stages. Lessons learnt from the Asian tsunami disaster already include the need for planning for future disasters and preparing for the role of the business sector in the recovery phase of the Asian tsunami disaster. The role of business can be defined within the broader impact and contribution of business on sustainable development.

Source: Davies, R. What Role for Business Leadership in the wake of Aisa's Coastal Disaster? IBLF, 2004.

Corporate impact on development and disaster management

Social and philanthropic activities

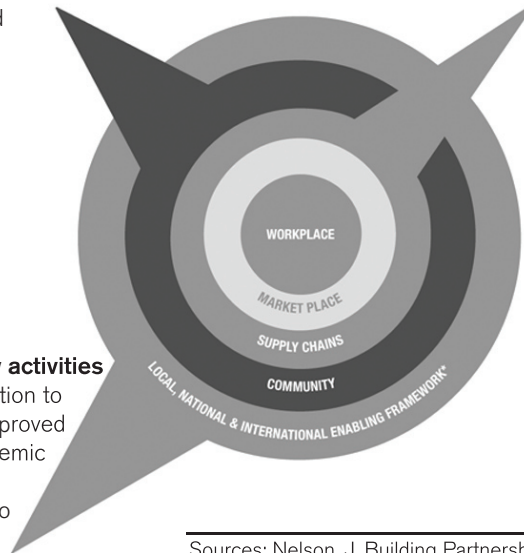
Mobilise core competencies and resources to help support and strengthen local communities

Policy dialogue and advocacy activities

Take individual and collective action to influence others and support improved planning, co-ordination and systemic change and action at a local, national and international level to help support and strengthen local communities

Core business activities

Develop responses at the workplace, the marketplace and along the supply chain to help support and strengthen local communities



Sources: Nelson, J. Building Partnerships. UN and IBLF, 2002 and Nelson, J. Business as Partners in Development, IBLF, UNDP And World Bank, 1996.

ACTION BRIEFING

Most companies operating in disaster hit areas can have an impact on development and disaster coordination and management. Large companies are most likely more geared towards large scale operations and actions, while smaller local companies contribute through the rebuilding of the local economy. Having close contact points with the local communities means that local companies can play a lead role in the rescue and relief phases quickly – depending on the impact the disaster had on their own operations. The business sector can contribute in the following spheres of influence:

- Their core business activities – the workplace, the marketplace and along the supply chain;
- Their social and philanthropic activities within the communities they operate;
- Their engagement in public policy dialogue and advocacy activities.

The company's core business and its resources are at the heart of the matter. They will determine the direction and nature of the company's engagement with other sectors and response to disasters. Workplace, marketplace and supply

chain opportunities such as donations and employee volunteering are likely to present the most immediate opportunities to support disaster rescue and relief operations, followed by a wider participation in the rebuilding of the economy of the local community. Participation with government and the public sector in general can influence the development of a supportive and collaborative environment. The opportunity to engage with government, the public sector and multilateral organisations will be enhanced by demonstrating a genuine commitment to support rescue and relief operations and to local economic reconstruction.

These three spheres of business influence and impact form the basis of the **Disaster management and planning: an IBLF framework for business response** throughout the brief.

Trade and industry associations, chambers of commerce and other types of coalitions can play a particularly important role in helping to tackle the challenges that are beyond the scope, capacity or mandate of any individual company. These

coalitions can be business-to-business, public-private sector, with NGOs or a combination of these. Such collective action can increase both the leverage and legitimacy of business sector involvement in addressing the challenges during and after a disaster.

The specific contribution that different companies and business associations can make to assisting in dealing with the disaster depends not only on which phase the disaster is in (rescue, relief or recovery), but also varies according to:

- The industry sector and the types of products, services, resources and skills it has;
- The company's business model, size and ownership structure;
- The location – not only in terms of different cultures and circumstances, but also whether it has corporate headquarters operating at the global level or a local operating unit; and
- The number of companies involved – for example, whether the company is acting in an individual capacity, within its own business operations and supply chain, or through its own corporate foundation, or in partnership with other companies, or other sector such as government and non-governmental organisations.

In general, IBLF sees disaster preparedness relevant for companies in the following contexts:

- Companies with direct operations in areas impacted by the disaster;
- Companies investing in these areas;
- Companies with supply and distribution chains; and
- Companies whose employees are moved by the disaster impact even though they may have no business link.

Preemptive partnership planning

One key element of planning for future disaster response would be for companies to establish partnerships with other companies (multinationals, within their supply chain and with small businesses in their local communities); local, national and international authorities; and NGOs. This will enable them to be better prepared to respond to disasters and be more efficient through collaborative partnerships.

Some of the partnerships that could be developed in preparing for disasters and during disasters are:

Disaster rescue and relief response team².

Companies could form a disaster rescue and relief response team within the company. Ideally this should be at both a headquarters level as well as at a regional, national and local level where they operate. This will ensure a prepared response throughout all levels of the company.

At corporate headquarters key personnel with responsibility for finance, products, supply chains, first aid and health and safety officers can be included to ensure various strengths and contact points are established within the company. This team can be mandated to devise a strategy for corporate response and develop mechanisms that will allow for resources to be made available quickly. This group does not need to meet regularly – twice a year to review procedures and update training. They would be responsible for coordination of the corporate headquarters response to disasters.

This group could be replicated at regional, national and local levels to ensure that procedures are developed at various points of the company relevant to its needs and mandate. Communication between these groups will be crucial and by developing a clear communication systems the ‘chain of command’ can be activated quickly.

Partnerships may be developed with key external partners. At an international level this would include liaison with multilateral organisations such as the UN and World Bank that will enable the needs identification and potential support from

the company to be in place. Similar partnerships should be developed with relief organisations such as the Red Cross, Oxfam, Save The Children, Doctors Without Borders etc. There is a concern that unnecessary duplication of relationships will undermine the capacity of external partners to engage constructively with the business sector – especially if each multinational company tries to develop a relationship with key external partners.

This could be overcome by developing industry- or country-based joint disaster response teams – not only within industry but also across industries. For example the pharmaceutical industry can benefit from working together as an industry and having a relationship with distributors such as Coca-Cola and PepsiCo that will enable them to transport their medical donations to areas being serviced by these distributors own relief efforts. These joint response teams can also coordinate relations with multilateral organisations and NGOs instead of each company trying to develop their own relationship. This allows for the planning to be less time consuming.

At a national level companies can develop partnerships with other companies (large, within their supply chains and local business). These disaster response teams can develop joint procedures amongst themselves and with national government and NGOs. This is not only develop systems on how to deal with disasters in their host country, but also the joint support they can provide in other disaster struck areas. This is especially important in rich countries such as the USA, UK, Japan etc.

At a local level disaster response teams can focus on procedures that will assist if a disaster struck their community and the support they can provide. This support will vary from company to company but can include making products or services available (especially communications and transport) and keeping rescue authorities informed of the impact on their own business, community and supply chains – this will assist rescue authorities and agencies to identify those areas in most immediate need.

²The tourism industry and pharmaceutical industry already have certain systems in place that can provide further information on what response teams could look like on a company and industry level.

The partnerships needed to prepare for disasters can be complemented by existing partnerships the company already has with other stakeholders. Many companies already have partnerships with organisations such as the Red Cross, Oxfam and UNICEF. These existing relationships can be strengthened and developed to move the partnership towards disaster response. Furthermore, these partnerships can both inform and help develop the broader industry and cross-industry partnerships.

Disaster recovery team. Similar to the methods used to develop the disaster response team a team could be developed to help in the reconstruction and recovery of the disaster hit areas. Focus of the team will not be on providing support to the rescue and relief operations, but rather on planning and implementing strategies to help in the reconstruction of the economy and local communities. The skills needed in such a team could include supply chain managers, finance, product development, sales and marketing and other skills needed to rebuild the business environment. Partnership with other companies would remain the same although it would most likely be more targeted towards those companies who have operations or suppliers in the disaster hit areas. Other external partnerships will most likely be developed with international agencies who focus on economic development – these include the World Bank, UNDP, IFC, IBLF, and consultants with these specialized skills. The role of this team could include identifying the development needs and the role each company and partner can play in reconstruction.

Ecology and business. The IBLF is aware that long-term ecological damage to forests, water sheds, coastal areas and coral reefs, as well as over development and lack of safety standards in structures, from unbridled and unregulated development can in itself be a factor in removing the protection from floods and inundation. It is vital that business of all sizes and types engages in sustainable development strategies that ensure protection and reduce exposure of poor communities to the impacts of disasters. The 'do no harm' principle is central to disaster prevention and mitigation.

The case for an early warning system is clear. In 1991 a tidal surge of nearly 10 meters killed 140,000 people in Bangladesh. 2.5 million people were evacuated safely – thanks to early warning systems and disaster planning procedures that activated a response. In 1970, before such a system was in place, a lesser cyclone killed half a million people³.

While preventing a repeat of the Asian tsunami disaster is impossible, better and more comprehensive early warning systems and disaster planning procedures are a priority. An even more difficult and time-consuming task will be establishing communication links and training volunteers within local communities about what to do when warnings are received, and if necessary provide safe places for potential victims to go. Business can play an important role in developing and managing these warning systems and communication links. More importantly, business can play an important role in collaborating with regional and international authorities in putting these systems in place.

Communications. It is also important for businesses to establish and manage communications systems. Not only in responding to emergencies and disasters, but also to ensure that they balance the need to avoid false alerts with their responsibility to communicate alerts of genuine risk. Working in partnership with other businesses, local authorities and organisations on a local level with headquarter liaison can ensure that information, verification and alerts system management is in place.

Employee response. Examples of employee engagement and support will be dealt with in the sections to follow, but business needs to manage the response from employees – both during an emergency and disaster and in the planning and management of employee responses in preparation for future disasters and emergencies. While employee response and engagement should be encouraged and facilitated, companies should also be aware that there are wide cultural practices to consider. Employees from Anglo Saxon countries tend to react strongly to support disaster hit areas

³ Financial Times. Kobe meeting to agree tsunami warning system, 17 January 2005

directly, while this might be different in other places.

Employees could react in any of the following three ways:

- Financial contributions. Employees are likely to want to contribute to the disaster rescue and relief effort. Businesses could support this by matching employees' financial donations (through payroll giving for instance) and encourage employees to fundraise during working hours.
- 'In kind' donations. Employees are also likely to want to make in kind donations such as blankets, clothes and food. Although much needed during later stages of disaster relief management, it could flood the disaster management systems of those actively dealing with the crisis. For instance, the flood of in kind donations has led to Oxfam asking for 10,000 volunteers to help sort the donated goods. By planning and coordinating with aid agencies, emergency workers and other businesses these in kind donations can be managed and controlled by businesses. This will allow aid agencies and emergency workers to deal with the immediate and short term needs.
- Volunteering. Employees might want to offer their skills and volunteer. International relief organisations are unlikely to ask for volunteers at the early phases of rescue and relief, but there are other opportunities to help – for instance, local charity organisations might need assistance in sorting donated goods. Business can help by planning ahead and coordinating with disaster relief organisations. Specialised skills will most likely be needed during the recovery phase and by working closely with other stakeholders these skills can be identified and targeted within the company. Your staff can provide critical support to assist in restoring systems and structures, but this should be coordinated with the relevant partners – local authorities and aid agencies.

PHASE 1: RESCUE

This phase starts immediately after the disaster and, depending on the scale of the disaster, could last for days. Main focus on rescue of people stranded, trapped and injured, and location of bodies. Making places safe. Meeting basic immediate needs for safe drinking water, food, medical attention, shelter, contact with families and notification.

The rescue phase will be nearing an end within days as water recedes, the dead and injured are recovered and places made safe. Initial needs for clean water, food, medical attention and shelter have to be met as well as possible in the varied circumstances – many areas possibly very underdeveloped outside urban or tourism centres.

Business planning and response

CORE BUSINESS ACTIVITIES

1. Staff safety. Staff need to be located. Immediate decisions need to be made about staff who might be in affected areas or close to affected areas and whether and when they should be evacuated. By collecting information about the impact on staff (whether they are all accounted for or some missing) could be helpful to the rescuers.

- **Pfizer** organised their sales force on the first day of the disaster into search and rescue parties, including going into morgues, and also to locate colleagues and their relatives. Local suppliers of Pentland and PVH were similarly engaged.

2. Staff contributions. Staff will most likely want to contribute to rescue operations themselves. Companies can provide support for this. This can include providing matching financial support, making links on website to rescue organisations for donations, provide time off for staff to collect money, and enabling payroll giving.

- **Vodafone Group** in the UK launched a scheme for employees that matched every donation with an equal amount and Novartis also encouraged employees to make financial contributions which they will match.

3. Customers and suppliers. Enable customers and suppliers to support the fundraising through establishing collection points, donation of percentage of product price and joint fundraising effort.

- **Starbucks** donated \$2 for every pound of specified coffee sold during January 2005 – to be donated to CARE and Oxfam.

4. Internal impact assessment. Internal communications with affected staff and operations will enable the company to make an impact assessment of the damage and rescue needs of their staff and be forwarded to rescue teams. Information such as areas and number of people affected will be helpful. If a local disaster response team is in place, and especially if this is done with other companies, they could provide the rescue teams with relevant on-the-ground intelligence. (It is always important to let rescue teams know if there is first aid or other similar people available in the affected areas).

- One of the first steps most companies operating in the affected areas did was to make an assessment of impact in staff, for instance **Diageo** immediately accounted for all their employees in the regions that were directly affected and also those who were traveling or on vacation.

SOCIAL AND PHILANTHROPIC ACTIVITIES

1. Financial contributions. This early and urgent stage will be dominated by the need for financial support by companies. Financial donations are much more practical during this phase.

- The immediate corporate financial contribution was unprecedented. Some examples of donations include: **Pfizer** donated \$10 million, **GSK** £2 million, **PepsiCo** \$1 million, **Abbott Laboratories** \$2 million, **Shell** \$3 million and **BP** \$3 million. **Abdul Latif Jameel**, from Saudi Arabia, donated over \$1 million and **Qantas** from Australia donated \$1 million.

2. Medical staff. Companies with medical staff could make them available to assist rescue operations.

- **Pfizer's** medical and scientific staff in the region supported rescue and relief effort by working in their local communities hit by the disaster.

3. Facilities. Unaffected facilities close to disaster areas could be made available for rescue teams to use as management centres and/or shelters. Where possible also make mobile homes available.

- **DHL** made facilities available for delivery of relief supplies.

4. Food and beverage companies. Companies can provide free products needed in the rescue phase – especially fresh water and water purifying systems.

- **Coca-Cola**, **PepsiCo** and **Tetra Pak** all provided fresh packaged water to areas of most needs and **Nestlé** provided food, milk and other consumables. **Coca-Cola** announced a \$10 million donation mainly to focus on water purification and supply and many of their bottling plants focused on emergency drinking water production and logistics. **P&G** donated 150 million litres of purified water to the areas in greatest immediate need.

5. Financial services. Banks can provide free financial services and management of donations.

- **Western Union** offered free money transfers from US and Canadian donors to the

International Federation of Red Cross and Red Crescent Societies, and Ireland's top six banks (**Bank of Ireland**, **Ulster Bank**, **Allied Irish Bank**, **National Irish Bank**, **MBNA** and **Permanent TSB**) all agreed to waive charges on credit card donations. **Capital One**, **Egg Banking** and **The Royal Bank of Scotland Group** from the UK and **Westpac** from Australia have also waived credit card charges.

6. Energy companies. Companies can provide free fuel and technical support to rescue teams.

- **Shell** provided fuel to rescue teams and **BP** provided round the clock refuelling services for emergency flights.

7. Utilities. Communication systems might be down and companies specialising in mobile communications could provide support and products to rescue teams.

- **Cisco Systems** made specialist disaster communication systems (NetRelief Kits) available, **Microsoft** staff provided technical assistance and **Vodafone** worked with **Telecoms Sans Frontiers** and **MapAction** to provide emergency telecommunications and mapping of disaster areas

8. Healthcare and pharmaceutical companies can donate medical equipment and medicine such as antibiotics.

- **Pfizer** provided \$25 million worth of medicine and healthcare products, **GSK** donated 2 million doses of antibiotics and 600 000 doses of typhoid and hepatitis A vaccines, **Abbott Laboratories** donated \$2 million in nutritional aid and prescription drugs and **Johnson & Johnson** send six disaster relief product modules to aid in treating victims. **Novartis** donated \$2 million in financial and essential medical donations – including key malaria treatment and antibiotic drugs. **BUPA** ensured that all members in need of medical attention are covered and arranged travel home from affected countries, regardless of policy levels.

9. Transport. Transport companies and other companies with distribution networks can provide

transport support to rescue teams. This can include road transport such as trucks and 4X4s as well as air transport.

- **Shell** provided water tanks and provided offshore boat logistics, **BP** chartered an emergency relief aircraft and **Nestlé** provided truck to supply safe drinking water.

10. Specialist services such as security firms can also aid rescue teams.

11. Textile companies can provide blankets for rescue and emergency needs.

- **Tesco's** provided blankets and plastic sheeting.

12. Channel financial contribution. Financial aid should be channeled according to the already established procedures or, where this is absent, to the local organisations directly involved in the rescue phase. These organisations include local and international rescue groups and NGOs involved. The donations should be made to those with an operational presence and proven track record.

- **Starbucks** channeled their financial contributions through their partners CARE and Oxfam while **Pfizer** worked with the partners they have existing relationships with including the Red Cross / Red Crescent Societies, CARE, IRC, Save the Children and Unicef.

13. Emergency response teams. Some companies have emergency response teams that can be made available to rescue authorities. Companies in the extractive and construction industries are usually well prepared for rescue operations.

- **Marsh** activated its Catastrophic Response Team to support the aid effort. The team was made up of property, construction, accounting and security professionals.

PUBLIC POLICY DIALOGUE AND ADVOCACY ACTIVITIES

1. Inform others. Ensure that other business leaders are informed of the disaster and that they also contribute to the disaster.

- Members of the IBLF communicated via teleconferences facilitated by the IBLF.

2. Consult stakeholders. Make time available to discuss with stakeholders (authority and NGOs) the public role business and business leaders can play in securing the support needed for this phase.

- **Tetra Pak** worked closely with international and local aid agencies to target the support they could provide, **Nestlé** supported the effort of the Indian Prime Ministers' Relief Fund – companies in general worked with international and local aid agencies where possible.

Disaster response team developed through partnership between all the companies would be able to coordinate their activities in future and benefit from the infrastructure and services each one can provide.

Phase 2: Relief

The relief phase soon takes over from the rescue phase, with the focus on damage assessment and coordinating effort to meet basic human needs. Coordination efforts to meet immediate tasks of humanitarian relief, combining locally and with official and international relief efforts for water purification, food hygiene and feeding, care and shelter. Providing communication, logistics and infrastructure repair help. Getting through to remote locations. Collecting vital intelligence on people, damage, health risks and what is happening.

Business planning and response

CORE BUSINESS ACTIVITIES

- 1. Damage assessment.** The private sector can play a key role, not just in assessing their own damage but assisting small business owners and other businesses in their supply chains.
 - **Carlson** has already targeted local relief and recovery as one of their main focus for addressing the damage done in local communities.
- 2. Staff support.** Staff directly or indirectly affected by the disaster should be supported through counseling.
 - **Pfizer** made their employee assistance programme available for psychological help.
- 3. Customers and suppliers.** Offer support to suppliers and customers in affected areas.
 - **BP** provided solar lanterns for use in Sri Lanka and India. The tourism industry hit hardest by the tsunami supported each other – for instance, hotel chains in Thailand offered free accommodation to guests from rival but affected hotels.
- 4. Staff volunteering.** Offer staff the opportunity to volunteer. This might not be in the affected areas but rather support to relief organizations and NGOs based in other areas where companies operate – e.g. local charity shops etc.

- **Honeywell** employees in India volunteered time to help with the relief efforts while **Pfizer** staff with medical and technical skills remain available to assist relief efforts.

SOCIAL AND PHILANTHROPIC ACTIVITIES

- 1. Continuing financial support.** The impact of the disaster would be clearer by this stage and continued financial support is crucial.
 - A number of companies are working closely with BITC to develop ways in which they can maintain their financial contributions over the following months.
- 2. Product and service donations.** Continue to donate products, services and resources which are needed. These include medical supplies, tents or other forms of shelter, water purification packets and systems, fuel and fresh water as in the rescue stage. With a clearer understanding of the relief needs the quantity might have to be increased by this stage. The products range would also expand to include food, clothing and other basic household products.
 - **Abbott Laboratories** increased their product contribution by \$1.5 million after initial assessment.
- 3. Collective action.** Companies need rapidly to find effective partners and businesses to engage in collective action.
 - **Diageo** held discussions with government and local aid agencies about how Diageo might use corporate funds to support specific long-term reconstruction projects in India, Indonesia, Maldives, Sri Lanka and Thailand. **Caterpillar** is working with government agencies and NGOs to identify what equipment they can provide for the relief effort. **Deloitte Brazil** partnered with **Telecom Italia** in their fundraising and provided pro-bono tax, assurance and auditing services.
- 4. Facilities.** Continue to offer facilities to be used for emergency housing or storage.

- A number of the **Marriott International** hotels in the region are providing shelter, food and water to victims.

5. Logistical and transport for distribution.

Give support and infrastructure for distribution of goods needed (land, air and coastal). Provide vital logistical support and facilities for relief organisations dealing with trauma, and provide management and logistical help to strengthen relief efforts.

- **DHL** provided chartered flights and **BP Shipping** continues to explore ways that they can support relief effort logistically.

6. Basic needs. Basic needs will have to be met on a sustainable basis such as water purification, food hygiene and communications.

- Like many other companies **Nestlé** continues to monitor the need in the affected areas and is on standby to increase their donations to help cover basic needs.

7. Specialist services and knowledge. Provide specialist services and knowledge. Relief organisations and authorities may need specialists in the field of telecommunications, property maintenance, construction, cleaning, accounting, security and distribution.

- **Pfizer** seconded employees to relief agencies to help do prescription medicine inventory management. **McKinsey** worked closely with the American India Foundation to coordinate a Tsunami Relief Fund. **Cable & Wireless** provided ongoing support to restore the communication networks to the devastated islands.

PUBLIC POLICY DIALOGUE AND ADVOCACY ACTIVITIES

1. Media and communications. Continue to highlight the support needed by these areas. Use press and media contacts to keep the disaster in the spotlight. Communicate in such a way as to inspire others.

- **Pfizer** allowed the media to attend real internal planning meetings on disaster relief. **Turner Europe** donated airtime to UNICEF and CNNI and a DEC spot ran on Turner network.

2. Broaden funding appeal. Engage with governments and other funding agencies to encourage financial support.

- A number of companies are working with organisations such as the BITC and DEC to secure additional funding.

Examples of organisations involved in rescue and relief phases

International:

Oxfam www.oxfam.org; **International Federation of the Red Cross** www.ifrc.org; **International Rescue Committee** www.theirc.org; **Doctors Without Borders** www.doctorswithoutborders.org; **Save the Children** www.savethechildren.org; **Unicef** www.unicef.org; **Fritz Institute** www.fritzinstitute.org; **WEF Disaster Resource Network** www.weforum.org; **CARE** www.care.org; **Médecins Sans Frontières** www.msf.org; **Telecoms sans Frontier** www.tsfi.org

India:

Child Relief & You www.cry.org; **Charities Aid Foundation India** www.cafindia.org

Indonesia:

United in Diversity www.unitedindiversity.org; **WALHI - Friends of Earth Indonesia** www.wahlhi.or.id; **YAPPIKA - Foundation for Strengthening Participation, Initiative and Partnership** www.yappika.org; **Yayasan TIFA** www.tifafoundation.org

Thailand:

Raks Thai Foundation www.carethai.org; **Population and Community Development Association** www.pda.or.th; **Thai Red Cross** www.redcross.or.th

Phase 3: Recovery

The third phase focuses on the rebuilding of destroyed infrastructure and a return to some level of normality and economic recovery. The crucial challenge of sustaining livelihoods of small business people and industry workers must be addressed as the crucial link to long-term self-help and mutual aid.

As the timescale lengthens the crucial question of sustaining livelihoods of thousands of small business people and coastal industry workers will overtake many other needs, and will be the crucial link to long-term self-help and mutual aid. The recovery phase will determine the prospects for millions of people. Long-term livelihoods become the overriding concern.

This phase is substantially different from the first two stages as it deals with redevelopment of social infrastructure and economic activities after the emergency tasks of rescue and relief have been done.

Business planning and response

CORE BUSINESS ACTIVITIES

- 1. Staff trauma support.** Support for staff to overcome trauma. This could be expanded to supply chains and even broader community in which a company operates.
- 2. Employment security.** Great insecurity will follow as staff and others are unsure of their future. Support and planning needed to ensure staff are guaranteed work and income.
- 3. Planning and rebuilding of own infrastructure** will have to commence as soon as possible as local economies are in many cases dependent on larger companies. It also sends a powerful positive message to others that the affected country or area are viable business and investment destinations.

4. Suppliers will not have any income due to the loss on their side – new business arrangements (bridging funds, restructuring of contracts etc) might have to be developed.

5. Stock. Small businesses supplied by the company might have lost all stock and be uninsured. For certain industries such as consumer goods it might be possible to restock these businesses at no cost.

6. Payments. Ensure that all outstanding payments to suppliers, contractors are made as this income could prove crucial at this stage.

7. Recruit local. In rebuilding of infrastructure and other interim human resource needs recruit locally.

8. Building local businesses. Where possible use local suppliers and distribution networks. Assist in business rescue support measures such as micro-credit and other enterprise development assistance.

9. Affordable products and services. Provide affordable products to local communities. This might mean repackaging products to suite customer needs during recovery phase.

10. Utilities companies can participate in public-private partnerships to reestablish essential services and increase access to clean water, energy and telecommunications.

11. Financial services companies can provide specialist services including micro-credit.

12. Workplace and essential drugs. In addition to the central role of the pharmaceutical sector, other companies operating in affected countries can also play a role by implementing workplace programmes for provision of essential drugs, treatment and care.

SOCIAL AND PHILANTHROPIC ACTIVITIES

1. Business advice. The provision of vital business advice, insurance mediation where relevant, business rescue strategies, infrastructure and port repair, and development of mutual aid networks and micro credit will become vital for the local economy with which the business operates and serves.

2. Financial services. Banks should re-evaluate financial support and terms provided to business enterprises and local communities.

3. Collective action. Initiation of coordinated action between business peers and larger companies to work collectively as a business task force at community level, to address the long-term development challenges through application of practical business management skills.

4. Strengthen relationships. Build on the relationships and lessons from the first two phases.

5. Facilities. Continue to offer facilities for business training or business development.

6. Education services. While schools are being rebuilt companies can work with the public sector and other agencies to deliver education services.

7. Local capacity. Build capacity of and invest in community leaders and social entrepreneurs.

8. Training. Train local technical skills in recovery and disaster management.

9. Small business. Establish and support micro-credit programmes and small business support.

10. Financial support. Continue financial support and in-kind support such as volunteering.

11. Product donations. Continue product donations where needed.

12. Adopt a Village. A new development is for companies, aid agencies and individuals to 'adopt a village'. This scheme allows for someone or a specific organisation to take over the financial responsibility of rebuilding the infrastructure such as houses and help rehabilitate the local population affected by the disaster – and ensures longer term support for disaster hit areas. Although this can allow for much needed funds in poorer countries to be used for other purposes, business should be reminded of not only the responsibility of taking this step, but also that there are specific local and national guidelines to follow before you can adopt a village.

• **HUDCO, Indian Oil and Andhra Pradesh Real Estate Developers' Association** have all applied to adopt a village in India. **Hogg Robinson and Business Travel International** is working with their NGO partner, **SOS Children**, to construct a complete village for orphaned children in one of the areas.

PUBLIC POLICY DIALOGUE AND ADVOCACY ACTIVITIES

1. Re-marketing. While it may seem distasteful to suggest at a time when sense of loss is so raw, it is vital that at the earliest opportunity industry leaders, working in partnership with the public sector and international agencies such as the World Bank and IFC, realise the vital need to retain engagement and re-market the area and region to tourism companies, investors, travel agencies and the media. The one chance of recovery will come from economic normalisation, which is so sensitive to risks.

2. Media. It is vital that companies play an influential role in ensuring balanced but accurate media coverage and that negative 'disaster' stories don't drive away visitors and investors. The positive sides of recovery, service and conservation must be communicated effectively.

3. Trade associations. Industry leaders should also ensure that their trade associations are playing an effective and strategic role in recovery, infrastructure repair and reconstruction, safe water

supplies and sanitation and helping facilitate cross-industry engagement.

4. Collective action. Larger businesses, as substantial businesses with infrastructure and logistical capacity, can play a key role in identifying business peers to work collectively as a co-ordinated business task force of champions, with the aim of addressing the long-term development challenges through application of practical business management skills in the wake of disaster. Business strategies can complement public action. Business partners in the food and drink sector, transport, communications and financial services can also engage as partners with the local industry in these strategies. Many can call on global HQ expertise to assist.

5. Global dialogue. Engage in global dialogue on issues such as reconstruction financing and disaster management systems.

6. Foreign investment. Help governments and other agencies to attract and retain foreign and domestic investment.

7. Aid. Advocate for increased aid to affected countries.

8. Trade. Advocate for improved access for affected countries to export to OECD markets.

9. The business case is overwhelming. Recovering and protecting sensitive communities is vital for development and sustainability of the industry and economy. This is a key challenge to how far international and national business can contribute to engagement across cultures, trust and social responsibility in a cynical world. The tragedy of a disaster might be mitigated if the private sector rises to the challenge.

10. Enduring partnership. Building, maintaining and revisiting existing partnerships that a company has so that disaster management includes consistency from rescue to recovery phase.

Examples of possible business responses in recovery phase

1. **The International Chamber of Commerce** has worked with UNCTAD to increase foreign direct investment in some of the poorest countries.
2. **BP, Shell and Chevron Texaco** are all developing more integrated community investment initiatives that focus on local institution and capacity building.
3. The **Cisco** Networking Academies offer an example where a company is mobilizing its core business competencies to address a social need.
4. **Youth Careers Initiative** started in SE Asia by the International Business Leaders Forum, UNICEF and several hotel chains to provide young women with training and safe jobs in the hotel industry.
5. The Centre for International Private Enterprise, part of the **US Chamber of Commerce**, provides grants for projects that help to empower women in developing and transitional economies.
6. **Youth Business International**, a programme of the International Business Leaders Forum, which works with companies, individual business executives, governments, other youth organisations and United Nations bodies to establish national-level programmes to support youth entrepreneurship.
7. The **International Business Leaders Forum** runs a number of enterprise development initiatives transferable to disaster affected areas.

Examples of organisations involved in recovery phase

Each of these organisations play a different role in the recovery phase. For instance, the International Tourism Partnership offers practical ‘hands on’ services and support while Business for Social Responsibility offers strategic advisory services.

International Business Leaders Forum www.iblf.org
UNICEF www.unicef.org; **International Chamber of Commerce** www.iccwbo.org; **UNCTAD** www.unctad.org
World Bank www.worldbank.org; **International Tourism Partnership** www.internationaltourismpartnership.org; **Global Compact** www.unglobalcompact.org; **Business for Social Responsibility** www.bsr.org; **The Partnering Initiative** www.thepartneringinitiative.org; **Synergos** www.synergos.org; **International Council of Nurses** www.icn.ch; **Business in the Community** www.bitc.org.uk; **Ashoka** www.ashoka.org

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IBLF

THE PRINCE OF WALES
INTERNATIONAL BUSINESS
LEADERS FORUM

IBLF role

In line with its mission, the continuing role of the IBLF in response to the Indian Ocean tsunami disaster and the tasks of rescue, relief and recovery is to:

- Inspire leadership at CEO/director level in aligning responses with company and organisational values, presence, competencies, capacity and stakeholder interests
- Guide companies to enable responses that are effective, relevant and sustainable - respecting good business practices, and benefiting from collaboration with others
- Support the tourism industry, through partners in the IBLF's International Tourism Partnership, in recovery, conservation and the development of the local economy
- Contribute to innovation in private sector contributions through collective action, and work to enable relationships stemming from the emergency to become enduring partnerships
- Communicate how business is responding to ensure immediate and long-term learning.

The IBLF aims to balance its actions to ensure as far as it is able that humanitarian contributions and business engagement continue in countries and communities in need around the world, and that lessons are learned and shared widely.

The International Business Leaders Forum is a not for profit organisation, founded in 1990 by HRH The Prince of Wales and a group of international CEOs, in response to the emerging social challenges of economic growth and change in the global economy. The IBLF's mission is to promote international leadership in responsible business practices, to benefit business and society. It works strategically with business, civil society and the public sector in transition and emerging economies in order to achieve socially, economically and environmentally sustained development.

For more information, please consult IBLF's website: www.iblf.org/tsunami

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