

THINK Executive

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The
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**Public Private Partnerships
in Humanitarian Operations**



A Collaboration Between



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Public Private Partnerships in Humanitarian Operations

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A THINK Executive Whitepaper

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EXECUTIVE SUMMARY

In relief operations, humanitarian relief organizations (HROs) often need political and economic support from both the public and private sectors. However, very few studies have been done on the aspect of public-private partnerships in the context of humanitarian operations. We thus conduct a qualitative study to investigate the partnership between HROs with both donor and host governments as well as the private sector from donor and host countries. Based on literature reviews and field studies with several international HROs in Asia, we capture the relationship of HROs with the public and private sectors along the humanitarian supply chain. We further classify these relationships, and explore the potential collaboration areas and conflicts of interest between governments and HROs as well as between HROs and the private sector.

This study sheds some insight on the large international HROs' relationship with their public and private partners. On the relationship with the public sector in donor countries, HROs normally maintain a friendly agency relationship, while their relationships with the strong central governments in the host countries are often not purely transactional but fully engaged in lobbying by the HROs to the central governments. In contrast, the HROs' relationships with local governments are generally much better due to their contribution to the beneficiaries.

Regarding the HROs' relationship with the private sector, traditionally it is either commercial or agency where the private sector is a passive donor. In recent years, the private sector has started to build long-term partnerships with the HROs. While the HROs are very selective in building partnerships with the private sector companies from donor countries, they see great growth potential. For the private sector in the host countries, the HROs face more challenges in developing long-term relationships, one of which is to build local markets during relief operations.

The first implication of our study is on the HROs' relationship with strong governments in host countries. HROs must be aware of the conflicts and be sensitive to the government's concerns. While they need to lobby for their beneficiaries, excessive lobbying could lead to the deterioration of their relationship with the government. Patience is the key for HROs in building a long-term constructive relationship with governments.

The second implication for HROs is in the local market development which relates to the relationship between the HROs and the private sector in host countries. HROs should be aware of the negative impact of their entry to the local market. Some HROs have initiated programs such as cash for aids to address the problem. Instead of giving supplies directly to needy people, HROs choose to give cash and

vouchers for them to buy from the local market. Cash transfers and vouchers can be appropriate and effective tools to support populations affected by disasters in a way that maintains dignity and choice for beneficiaries while stimulating local economies and markets.

The implication of our study for the private sector is also interesting. Instead of monetary or in-kind donations, companies can also collaborate with the HROs for commercial benefits also. Companies can partner with the HROs with both social and commercial values. Most large companies target customers in developed countries only due to the lack of customer demands and the difficulty of product distribution in most developing countries. However, these markets have strong growth potential as the developed markets are largely saturated. International HROs could be the valuable bridge between the two sides given their extensive networks in developing countries and knowledge of the market demands. Companies could thus partner with the HROs to develop products with social values, and leverage on the HROs' purchasing power and distribution capacity to deliver products to the end customer.

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