



July 2005

Disaster Relief Improving Response and Long-Term Recovery

U.S. Chamber of Commerce, Center for Corporate Citizenship and Booz Allen Hamilton

Executive Summary

On July 11, 2005, the U.S. Chamber of Commerce Center for Corporate Citizenship (CCC) and Booz Allen Hamilton brought together 70 government, business, and nonprofit leaders to work on a Global Disaster Relief simulation as an exercise in public-private-nonprofit coordination. The Simulation led to several key findings, including the identification of common challenges to coordination and the development of recommendations for overcoming them. Challenges to coordination include cultural differences and disruption of critical infrastructure, local government administration, and communications. Participants, however, found that by building cross-sector dialogue and understanding, by encouraging disaster preparedness and contingency planning at the local and international levels, and by developing multiple disaster relief coordination mechanisms, these obstacles can be overcome.

Background

In geographic scope and material damage, the December 26, 2004, earthquake and tsunami in the Indian Ocean region is the largest natural disaster on record. Thousands of businesses, dozens of NGOs, and more than 50 governments pledged \$6.7 billion in immediate and long-term aid. Of this, only \$2.5 billion has been disbursed. The record-setting outpouring

of both cash and in-kind donations overwhelmed coordination mechanisms and highlighted the need for better practices.

The disaster relief effort launched in response to the Asia tsunami illustrates the importance of coordinating public and private sector disaster relief efforts. Without effective global coordination, donated goods, services, and money can go unused, lost in the overwhelming number of donations that are offered immediately following a disaster like the tsunami. In other cases, donations do not address victims' needs because communication between the public and private sectors and NGOs is limited. Moreover, in-kind donations often do not match the specific requirements of individuals and communities in disaster-affected regions. Improving public-private coordination and consideration of long-term needs can lead to a more sustainable recovery that ensures victims continue to receive economic, social, and health assistance as their needs evolve and as the disaster fades from the headlines.

The Simulation

CCC and Booz Allen Hamilton designed a simulation intended to prompt discussion on a range of disaster relief and recovery coordination issues, including:

- Incorporation of long-term economic development plans into relief and recovery efforts

- Institutional, social, political, and cultural challenges to coordination
- Enhanced communication among governments, NGOs, international organizations, and business during a disaster relief and recovery effort

The July 11, 2005, simulation, “Disaster Relief: Improving Response and Long-Term Recovery,” brought together approximately 70 disaster relief, reconstruction, and international development experts; officials from the United States and Dominican Republic governments; and executives from a broad array of industries, including financial services, automotive, pharmaceuticals, consumer products, and telecommunications.

The simulation was played in two “moves” that corresponded to critical periods of time in disaster relief and recovery: the immediate and the long-term. At the start of the simulation, participants were confronted with a scenario: a category 5 hurricane—Hurricane Ophelia—was pummeling the northern coast of the Dominican Republic. Thousands of lives were lost, property was destroyed, and infrastructure was significantly damaged.

To address this disaster, a mix of participants from government, business, and disaster relief organizations were grouped into four Stakeholder Teams representing the business community, U.S. government agencies, nongovernmental and international organizations (NGOs/IOs), and the Dominican Republic. During the moves, teams worked in break-out sessions to respond to the crisis, mitigate its impacts, enhance future preparedness, and coordinate these efforts with other stakeholders.

Teams convened after each move to report their actions and findings, and to identify solutions for improving real-world disaster coordination.

The primary objective of the simulation was to explore how to improve multisectoral coordination of disaster relief and recovery through better processes, planning, and communication. Participants fulfilled this objective and took away from the simulation recalibrated thinking about sustained disaster relief and long-term recovery. They gained insight in how to coordinate across sectors to provide effective and sustainable disaster assistance.

Findings

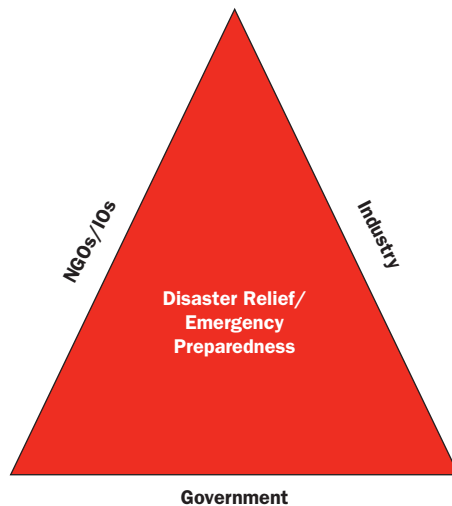
The most obvious challenges highlighted by the simulation were the differences created by institutional culture. For example, participants stated that governments and NGOs/IOs naturally tend to focus their attention on public health and safety issues during disasters. Businesses, on the other hand, are mainly interested in protecting their employees and restoring operations. Participants noted that finding ways to merge these diverse interests will foster closer coordination and enhance relief and recovery efforts in both the short and long-term phases of a disaster response.

Another challenge created by institutional culture relates to perceptions. NGOs/IOs tend to perceive the business community as profit-motivated, while the business community seeks greater accountability from NGOs/IOs for appropriate use and impact of donated resources. This atmosphere of distrust and stakeholders’ lack of knowledge about each other was revealed to be a significant factor affecting disaster relief coordination. Participants felt that continued dialogue, information sharing, and increased organizational transparency could change perceptions, thereby strengthening coordination and opening new paths for public-private sector partnerships.

To address these challenges and to explore routes to more effective coordination, participants developed three sets of key insights.

Exhibit 1

International Disaster Response Stakeholders



Source: Booz Allen Hamilton

The first focused on the reliance of international disaster relief and recovery efforts on three interdependent stakeholders; NGOs and IOs, business, and donor and local host governments (see Exhibit 1). The strength of each of these stakeholders determines the effectiveness of collective efforts in any given disaster context.

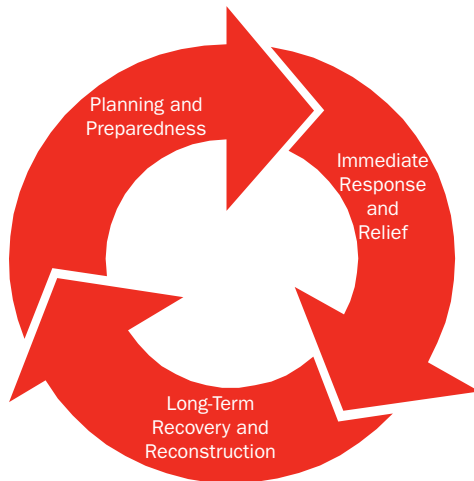
- In this exercise, the local host government became the cornerstone of disaster relief and recovery efforts and set the framework for a multisectoral response. All teams agreed that the degree and nature of stakeholder intervention in disaster relief and recovery should be dictated by the leadership and will of local host government entities. Participants understood that when basic governmental infrastructure remains intact after a disaster, local government should be the primary source for information on relief and recovery needs and coordination mechanisms.
- Stakeholders should understand each other's strengths, weaknesses, and interests—this allows for contingencies should a single player be unable to

respond. In some disasters, one or more of the stakeholders may be incapacitated or overwhelmed and the other(s) must be aware of and plan for the impact of weak or missing partners. This finding indicates that identification of key stakeholders and appropriate dialogue should take place before a disaster hits.

- Understanding local needs and sensitivities helps tailor an appropriate response. International aid should support local policy. Several participants stressed the importance of culturally and economically sensitive assistance. Sensitive assistance ensures that donations are usable and appropriate to the disaster at hand. In addition, relief efforts that are culturally and economically sensitive to local needs will support a community's redevelopment instead of hinder it. If donors and relief groups are not well-informed about an affected community's economy, donations can stunt economic redevelopment. For example, if canned fish is sent to a community that relies on local fishermen for its economic livelihood, the local economy may suffer because its primary goods and services are not in high demand.
- Timely, actionable communication among stakeholders facilitates alignment of resources with needs. Proactive communication helps prevent redundant efforts and ensures donors are well informed of needs.
- Greater transparency in all policies, practices, and actions is needed to build cross-sector trust and to encourage giving. Participants noted that one challenge to multisectoral coordination is the lack of understanding among stakeholders.

The second set of insights addressed the planning and execution of the transition from relief to recovery (see Exhibit 2). Transition from immediate response to long-term recovery relies on individual organizations'

Exhibit 2
Disaster Assistance Transition Phases



Source: Booz Allen Hamilton

sensitivity to larger reconstruction issues, stakeholders' evolving roles and responsibilities, the establishment of sustainable local programs, and build-up of local capacity to prepare for and respond to future disasters.

- Some organizations are better suited to provide immediate response; others, to provide long-term recovery assistance. Each stakeholder must understand where its strengths lie and how its role evolves through the course of a disaster response. This knowledge should be incorporated into local planning so each entity's capabilities can be matched to the appropriate stage of the disaster relief effort. For example, participants noted that in the United States, responsibility for residential reconstruction is usually handed over from the Federal Emergency Management Agency to the Department of Housing and Urban Development, an entity better equipped to handle reconstruction issues and tasks once immediate disaster needs have been met.
- Relevant programs need to be incorporated into the local infrastructure. International disaster assistance

providers should strengthen local capacity to manage, operate, and maintain such programs to ensure sustainability. Doing so ensures that the affected community will continue to operate and manage recovery programs and projects once reconstruction experts leave. Local sustainability also promotes a sense of local ownership of these programs and creates opportunities for employment and economic recovery.

- Ensuring continued support from donors requires that the public message change from an "emergency plea for help" to communicating success of the overall efforts while outlining evolving and pending needs. Participants noted that communicating success to donors shows that their gifts have been responsibly used to support effective programs. But, while the immediate crisis may have passed, critical needs persist. When donors are confident their donated resources are well-used, they are more likely to continue giving.

The third set of insights addressed the importance of disaster preparedness. Improving disaster preparedness must be a consideration throughout both the immediate relief and long-term recovery efforts. Preparedness should be designed in ways that mitigate the impact of future disasters. To this end, participants made the following recommendations for action:

- Strengthen local and regional capacity to effectively plan for, manage, and coordinate the multisectoral response. Local and regional organizations can be overwhelmed by international attention and inquiries during disaster relief efforts. Often, bottlenecks are created simply because organizations and governments lack the capacity to fully manage and coordinate a large-scale relief effort. In other cases, disaster relief and recovery planning has been insufficient or not undertaken at all. To build local capacity, participants proposed the establishment of national

emergency commissions and reconstruction agencies, working with local government, businesses, and domain experts to develop emergency preparedness plans and, last, incorporating disaster mitigation into reconstruction planning.

- NGOs should partner with donors, such as the business community, in advance of a disaster to better understand the resources that can be made available to support relief and recovery efforts. Participants suggested creating a “master list” of general disaster relief and recovery needs and available resources to streamline information gathering and sharing. Strategic partnerships, improved awareness, and information sharing will speed up the donation process during a disaster—NGOs will know in advance what resources are available to them.
- Proactive preparedness can mitigate the effects of a disaster. These actions might include establishing building codes that improve structural integrity (and providing assistance in getting such policies adopted) and planning for the employment of displaced workers in recovery and reconstruction projects.

The simulation confirmed that coordination among government, business, and NGOs/IOs is critical to the overall effectiveness of disaster relief and recovery efforts. As the simulation progressed, participants learned that a disaster response is most effective when each of the stakeholders contributes to both the management and this operation of disaster response efforts. Participants built on this understanding and identified concrete ways to enhance coordination, communication and disaster preparedness. Perceptions were changed and participants walked away with actionable ideas and recommendations to apply in the real world.

Next Steps

The simulation fostered dialogue across sectors and allowed participants to see coordination issues from perspectives other than their own. An informal consensus was reached on the issues of the primacy of local host governments and the incorporation of long-term planning and preparedness into disaster response efforts. Participants agreed that their efforts should be coordinated primarily with local governments, and that consideration of preparedness policies is the key to mitigating the effects of future disasters.

Participants have already started taking real world actions as a result of the simulation. The CCC has distributed contact information for all simulation and discussion participants to facilitate ongoing dialogue and collaboration in international disaster relief efforts. Additionally, the CCC has developed a “Tip Sheet” for businesses to refer to when disaster strikes; it promotes public-private partnerships and coordination and provides potential donors with guidance that will help ensure offers of assistance are timely and appropriate.

At the closing of the simulation, one participant remarked, “Disaster relief workers and officials from governments, NGOs, and businesses come together and talk about common goals quite often, but it is rare that their agreements and promises to work together are implemented when a disaster hits.” It is imperative that participants follow through on the partnerships and ideas developed at the simulation and that they build on the actions already taken. Such commitments will yield tremendous benefits in future relief and recovery efforts and ultimately for the people and places devastated by disasters.

What Booz Allen Brings

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for over 90 years. Booz Allen, a global strategy and technology consulting firm, works with clients to deliver results that endure.

With more than 16,000 employees on six continents, the firm generates annual sales of \$3.3 billion. Booz Allen provides services in strategy, organization, operations, systems, and technology to the world's leading corporations, government and other public agencies, emerging growth companies, and institutions.

Booz Allen has been recognized as a consultant and employer of choice. In a recent independent study

by Kennedy Information, Booz Allen was rated the industry leader in performance and favorable client perceptions among general management consulting firms. Additionally, for the past six years, *Working Mother* has ranked the firm among its "100 Best Companies for Working Mothers" list. And in 2005, *Fortune* magazine named Booz Allen one of "The 100 Best Companies to Work For."

To learn more about the firm, visit the Booz Allen Web site at www.boozallen.com. To learn more about the best ideas in business, visit www.strategy-business.com, the Web site for *strategy+business*, a quarterly journal sponsored by Booz Allen.

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