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Sector Donations to Humanitarian
Needs: The Role of Brokers**

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The Challenges of Matching Private Sector Donations to Humanitarian Needs: The Role of Brokers

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ABSTRACT

We examine the challenges faced by corporations donating to humanitarian organizations in the aftermath of humanitarian disasters. Our findings illustrate the importance of cash donations. We discuss the different issues corporations need to consider when making cash donations and explore the role of broker organizations, such as Global Impact, who can help address these challenges by serving as the strategic centre to match humanitarian needs (demand) and corporate donations (supply).

Keywords: Humanitarian, Disasters, Cash Donations, Corporate Social Responsibility, Broker, Matching Demand, Relief.

1. Introduction

Donations account for the first link in the humanitarian supply chain. In the aftermath of a sudden-onset disaster humanitarian organizations seek to secure resources for the relief operation within 72 - 120 hours. On the other hand corporations are faced with the question of how to help. The choices include developing a partnership with a humanitarian organization, sending volunteers to assist with the relief operation, providing in-kind donations, or donating cash. We examine difficulties humanitarian organizations have due to the uncertainty surrounding donations in the immediate aftermath of a disaster and the difficulty corporations have in knowing how best they can respond. We outline the pros and cons of different types of donations and find that in the majority of cases the use of cash provides greater advantages to both the corporation and the humanitarian organization.

The choice of cash, however, raises a new set of questions for corporations which need to ensure transparency and efficiency in the use of their funds. We discuss the challenges faced by corporations donating to humanitarian organizations. Finally, we also explore the role of broker organizations, such as Global Impact, in helping to address those challenges by serving as the strategic centre to match humanitarian organizations' needs (demand) with corporate donor requirements (supply).

The paper proceeds as follows. Section 2 looks at the case-based research methodology used in the design of the research. Section 3 presents some of the challenges surrounding donations that humanitarian organizations face in the aftermath of a disaster. It also introduces the reasons behind corporations' interest in contributing to humanitarian response efforts. Section 4 examines the different types of donation options open to corporations and recommends cash donations given a set of circumstances. Section 5 explores the problems humanitarian organizations have accessing cash donations. Section 6 outlines the questions facing corporate donors when donating. Section 7 provides a case example of a broker organization, Global Impact working with corporate donors and its member humanitarian organisations to facilitate the cash donation process. Section 8 looks at the role of broker organizations and the benefits they can provide to donors and humanitarian organizations. Finally,

section 9 concludes that in the immediate aftermath of the disaster the use of broker organisations in coordinating information and facilitating the donation process between corporations and humanitarian organizations can create a win-win-win situation for parties involved.

2. Research Design

We use a case-based methodology to examine the role of broker organizations in corporate donations to humanitarian operations. Drawing on the work of Stuart et al (2002), we chose this method with the goal of observing what issues affect corporate donations to humanitarian organizations and to what extent these issues can be mediated by a broker organization. Following Yin (2003) in our research design we define a unit of analysis as the focal point of the case. The unit of analysis is the broker organization, as the strategic centre between corporate and humanitarian organizations.

Research for this paper has been carried out over three stages. Initially, two case studies examined the problems for humanitarian organizations in managing the humanitarian supply chain in the immediate aftermath of a disaster. The first of these cases examines the need for a humanitarian supply management system SUMA to coordinate disaster response logistics following the El Salvador Earthquakes in 2001 (Tomasini and Van Wassenhove, 2003). Interviews for this case were carried out with the regional disaster managers of the Pan-American Health Organization and FUNDESUMA based in Costa Rica. This case serves to highlight the importance of greater visibility of the humanitarian supply pipeline by illustrating the difficulties associated with poor visibility of in-kind donations or cash for procurement.

The second case examines World Food Program's (WFP) reaction to the donations of genetically modified maize in response to the 2002 Southern African food crisis. For this case, interviews were carried out in South Africa with WFP's Regional Logistics Office and field staff in Lesotho (Tomasini and Van Wassenhove, 2008). This case illustrates the complications caused by inappropriate donations in the humanitarian supply chain. Each of these cases provides insights on matching demand with supply in conditions of high uncertainty and time pressure.

The second step in this research was to convene a working group of four corporations (GlaxoSmithKline, Swiss Re, Philip Morris International and Shell) and one not-for-profit organization (Global Impact), for a year long study on corporate responses to humanitarian disasters. This work was carried out in collaboration with The Conference Board Europe and resulted in the publication of a report entitled “Corporate Responses to Humanitarian Disasters: The Mutual Benefits of Private-Humanitarian Cooperation” (Van Wassenhove, Tomasini, and Stapleton, 2008). A case study was written on each corporation’s activities in this area. Phone interviews for these cases were held with the person directly responsible for CSR programs in the corporation. This ranged from the communications manager to the manager of corporate sponsoring. Drawing on the best practices from these corporations we then conducted a one-day workshop to examine in greater detail the questions and problems faced by corporations when they embark on responding to humanitarian disasters. This report provided us with strong empirical evidence of the key issues for corporate donors trying to contribute to humanitarian response efforts.

The third research stage consisted of a detailed case study on Global Impact (GI) (Hanson, Stapleton, and Van Wassenhove, 2007), a non-profit organization that raises money on behalf of its 50 members through workplace giving campaigns, and channels these donations to selected humanitarian organizations following a disaster. Phone interviews were conducted with the CEO of GI, Head of Communications, two Directors of Development, the former Senior Vice President CARE International and former board member of GI. The diversity of interviewees allowed us to obtain a concrete understanding of the organization’s global approach to its positioning as broker between corporate donors and humanitarian organizations. We were also given an in-depth description of GI’s role and responsibilities in the aftermath of three disasters.

Using case analysis, we pinpointed the key challenges from the point of view of humanitarian organizations accessing donations to respond to disasters. The results from the year long working group allowed us to identify the main types of donations available to corporations and the advantages and disadvantages associated with each. We propose that in most circumstances, cash donations have the greatest advantages

for humanitarian organizations. Finally, from our research on the organization Global Impact, we examine and explain the role of broker organizations in facilitating the matching of supply and demand of cash donations.

3. Framing the Issue

This section looks at the challenges humanitarian organizations face regarding donations in the immediate aftermath of a disaster, from lack of overview of the donation supply chain to dealing with unsuitable in-kind donations. It also introduces corporations' role in donating to respond to disasters and describes some of the key reasons behind their interest in doing so.

In the event of a disaster, humanitarian organizations roll out a supply chain overnight with limited information about supply and demand, the actors that will be involved, or the duration of the operation. During the first 72 hours assessments are carried out by international staff arriving to the ground. These assessments provide an overview of the initial demand to be used in the donor appeals.

The appeals are then fulfilled with aid from multiple sources going to multiple organizations. The result is a situation where it is very difficult to have full pipeline visibility to determine what needs are met and which ones are still outstanding. One example of how humanitarian organizations tackle this problem was in 2001 during the relief operation following the earthquakes in El Salvador. FUNDESUMA, an implementing partner of the Pan-American Health Organisation, set up an inventory management system at the airports to track all incoming goods and check them against appeals (Tomasini and Van Wassenhove, 2002).

The lack of visibility can lead to difficulties in forecasting demand leaving the door open for unsolicited donations. The latter may create extra work for humanitarian organizations on the ground, as was the case for the WFP in Southern Africa during the 2002 food crisis. Maize was found to have traces of genetically modified organisms and was refused by the recipients. This left WFP with no other option than to procure equal amounts of maize locally overnight (Tomasini and Van Wassenhove, 2004).

Corporations have become more involved in disaster relief efforts in recent years driven partially by employee expectations to support relief operations where their clients or family may be affected. Likewise, customers also have developed expectations when they associate a corporation's brand with capabilities that could be useful to disaster relief efforts, for example, TNT in the area of logistics. Through our research we have observed several corporations engage in partnerships with humanitarian organizations debating how to set up their donations.

4. Types of Donations

Our research has identified four options for corporate donations to humanitarian agencies: partnerships, volunteers, goods, and cash.

4.1. Partnerships

“Corporate-humanitarian partnerships that share knowledge, expertise and best practices can result in more efficient ways of dealing with disaster responses, aid distribution and, especially, disaster preparedness and disaster mitigation. They have significant potential to deliver benefits across the board to the partners and to the people and communities affected by a disaster. But setting up these partnerships and making them work effectively raises many issues and challenges” (Tomasini and Van Wassenhove, 2009).

Partnerships demand a large investment in time and resources from both parties. Successful partnerships require extensive dialogue and negotiation to develop mutual understanding, define roles and assume responsibilities. Given all the work required upfront it is clearly too late to form a partnership during a disaster. Collaboration may take place on a needs basis during a disaster, and even provide the foundation for a future partnership, but during a disaster humanitarian organizations need to focus on carrying out a timely response rather than on setting up partnership agreements.

4.2. Volunteers

Volunteers can be a great asset to a disaster relief operation if they are properly trained to deal with the pressure and the conditions of a disaster zone. They need to be familiar with the local context, have experience with emergency situations and preferably fluency in the language of the country in order to be effective from the outset (Tomasini and Van Wassenhove, 2009). These volunteers can provide technical support or local knowledge to the international teams arriving at the scene. Examples of this includes companies seconding air traffic controllers or telecommunications specialists to disasters, as well as local staff who can work as translators and advise on the local conditions. Under these circumstances corporations benefit from the volunteers' involvement by building stronger community relations, improving the employee morale and motivation, and providing challenging learning opportunities to their staff to apply their knowledge in a different setting.

Volunteers from the corporate sector may also hinder rather than help relief efforts if they are not equipped with the relevant skills, expertise or knowledge. In most cases, volunteer assignment is done in the context of a CSR partnership that bridges the relationship between the organizations.

4.3. Goods

In-kind donations must meet the specific requirements communicated by the humanitarian organizations through public appeals. Even then donors should consider covering the costs associated with shipping and handling, unless the humanitarian agencies have expressed their intent to cover those expenses. To ensure the greatest level of efficiency, once pledged, donors should ensure that goods are delivered in a timely fashion to the right consignee and place so that they can readily be used as intended by the humanitarian organizations.

Goods are only beneficial if they meet the requirements specified by the recipient organizations operating on the ground. Unsolicited donations are one of the main causes of bottlenecks in disasters causing delays, wasting valuable resources

including warehousing space and clogging the pipeline. Consider the case of the Southern African food crisis cited above where WFP's supply chain was clogged with unwanted maize forcing a re-design of their sourcing process involving local suppliers and milling of the imported genetically modified maize.

4.4. Cash

In the case where there is no pre-established partnership or in-kind donations do not meet the immediate needs, cash remains the most common and efficient form of donation. It provides the liquidity necessary to purchase essential relief supplies and equipment upfront. Cash also gives humanitarians the flexibility to quickly adapt as new needs arise or operating requirements change. Consider as well the need for cash in the earlier phases of the relief operation for leasing equipment, finding housing, procuring local goods for the beneficiaries, etc.

5. Accessing Corporate Cash Donations

Accessing cash donations for humanitarian organizations has its own set of challenges, especially when it comes to the corporate sector. Humanitarian organizations with good brand recognition tend to have less difficulty raising funds for operations whereas smaller organizations often struggle to communicate their needs and develop their credibility with donors.

Practical evidence suggests that fundraising and media attention can be highly correlated. Mediatized disasters are significantly better funded and attended to. However, humanitarian organizations are mandated to respond to human suffering wherever found, as opposed to wherever funded. The media effect, or lack of it in some areas, makes it difficult to fundraise for less widely known disasters, especially for humanitarian organizations with lower brand recognition.

In either case, the majority of funds are collected in response to appeals for which there is little anticipation. As a consequence, it is hard for humanitarian agencies to forecast how much will be raised and for which disasters. Imagine a situation where several hurricanes or earthquakes hit the same area. Donations earmarked for one

disaster cannot be easily reallocated to another. Even more important from the operational point of view is that any funds raised will be used almost exclusively for the response, and very little for capacity building.

6. Corporations Making Cash Donations

Once they have decided on cash donations as the best option, corporations are confronted with the following set of questions: who will get the money, through what process, how much and how to ensure transparency and accountability?

6.1. Whom to Donate to?

The humanitarian sector can be difficult to decipher given the diversity of structures and ideologies. Some humanitarian organizations have been established as federations, others as societies, and all vary in size and geographical scope. They can also be classified by their stance on certain issues, and how they communicate the political, philosophical or religious ideologies that guide them (Tomasini and Van Wassenhove, 2009). In the case of corporate giving, choosing the appropriate organization from a large pool of candidates is a major concern.

Efficiency is another important consideration. Donors want to know how their money will be used and how capable the recipient organization is of using their funds efficiently. This is predominantly judged by looking at the overhead costs, though that may be misleading. While overhead levels are an indication of the percentage of funds that directly relate to helping the beneficiaries, direct spending does not necessarily accurately represent the impact of aid activities since the latter may be poorly targeted and inefficient. In an attempt to achieve the lowest level of overheads, some humanitarian organizations have sacrificed investment in important activities like staff training, communications, and pre-positioning of goods, activities that could increase their impact and efficiency. Finally, efficiency and impact is relative to the context in which the operation takes place. The majority of humanitarian operations take place in developing countries. It is important for donors to understand the operational difficulties and limitations of operating in a specific context before judging the organization's performance.

6.2. How to Donate?

Another significant problem facing corporations is how to go about raising and donating the cash. Raising funds is a process that requires the engagement of diverse stakeholders related to specific needs. Donations could be made directly from the individuals to the humanitarian organization of their choice, but this would go against the original goal of establishing a corporate initiative. For this reason corporations often choose to collect cash from employees and give it to a humanitarian organization as a lump sum. To stimulate this process, corporations frequently engage in some sort of matching of employee donations, creating a multiplier effect.

6.3. How Much to Donate?

After the Indian Ocean Tsunami many corporations were trying to estimate how much they should donate. A virtual competition among corporations was played out in the media. Nobody wanted to be seen as the one giving just one drop of water in an ocean of needs. Lack of familiarity with humanitarian operations combined with a certain level of hysteria in reacting to a highly mediatised disaster of this magnitude created what could be described as a frenzy of donations. This was halted by humanitarian organizations such as Médecins Sans Frontières requesting that people stop donating to the tsunami fund. Although at the time, this was highly controversial, Médecins Sans Frontières' argument was that while their tsunami operation was being overfunded, they had hundreds of other operations severely in need of funding. Donors needed to rethink how much to give and where to direct their donations.

6.4. How to Ensure Transparency and Accountability?

Donors are demanding more transparency and accountability from their recipient humanitarian organizations. Concerns include a range of issues from how the funds are used, whether they meet their intended purpose, and if they serve to advance humanitarian causes as opposed to political agendas. The latter is a strong concern of many corporations and individuals who fear that donations could be used to support

paramilitary or terrorist groups. The biggest challenge is to have clear visibility on last mile distribution where the real impact is made.

Corporate donors must respond to humanitarian organizations' needs in the wake of a disaster without compromising their own interests. A trusted broker organization is an option available to both the donor and recipient in guiding them through the process. Though some argue that a broker would become an extra layer in a process that needs optimization we posit the contrary, namely that a broker can expedite the donation process by addressing the concerns outlined above. To illustrate our position we use the case of GI.

7. Case Summary: Global Impact

GI is a non-profit organization dedicated to “assuring help for the world’s most vulnerable” (Global Impact, 2009). Representing more than 50 of the most respected US-based global charities, including CARE, Doctors Without Borders/Médecins Sans Frontières, Mercy Corps, World Vision and the US Fund for UNICEF, GI manages fundraising and public awareness-raising campaigns in workplaces across the United States and overseas.

At the end of the 1990s events such as the collapse of the World Trade Organization meeting in Seattle or the launch of the UN Global Compact heralded a shift in approach to the role of business in society. On the other hand, in light of 9/11, questions were raised over how resources could have been allocated in support of terrorist acts in the US. By the end of 2001, the US Congress had passed Executive Order 13224 and the Patriot Act. Under the new anti-terrorist legislation, corporations felt less certain about where it was safe to donate, with the result that international charities saw a decline in funding.

In this environment, GI began screening its member charities for compliance with the US Patriot Act and other federal, state and local requirements. Auditing procedures of member charities were tightened and all new GI employees had to undergo background checks. This case illustrates the valuable role played by GI as a broker

between the corporate and humanitarian sectors during three international disasters from 2004 to 2006.

7.1. Tsunami – The Birth of ‘Global Alert’

In the wake of this unprecedented disaster corporations were urged by their employees to respond, but it was not always clear how they would do so. Three corporate members, with GI as administrative partner, formed an alliance to assist with the humanitarian response. GI set up and managed a hotlink from the corporate intranets to a “white label” website. To corporate employees this website appeared to be located within the company intranet, but in fact it was a secured website managed by GI through which employees could make credit card or payroll donations. The corporations would match the employee gifts under various formulae. GI took responsibility for tracking employee and corporate donations, evaluating recipient charities, distributing the donated funds to charities, and tracking the use of these funds through annual charity reviews and reports. Financial transfers were managed, tracked to the identified charity, and receipts were produced for the corporate employees.

The Tsunami Global Alert, as this program became known, had a similar structure for each corporate partner. There were variations, for example in how the funds were to be distributed. In some cases the corporate partner identified the specific target charity up front, while GI managed the transaction. In other, the corporation had specific program priorities and sought advice on which charity would fit. The corporate partner was responsible for engaging its employees in making donations to the relief fund.

7.2. Hurricane Relief – Central America

Following a US Government-led trip to the scene of the disaster caused by hurricane Stan, four American CEOs announced the distribution of USD 3.8 million to support victims of the 2005 Atlantic hurricane season. GI was asked to join as their administrative partner.

The Advisory Board for the Hurricane Relief Fund consisted of a representative from each of the corporate partners, GI's CEO, and a representative from USAID. The corporate team met on a weekly basis via teleconference from mid-February to mid-July to decide, among other things, on the initiatives to be funded. The program areas ultimately identified were: education for the displaced, micro-financing, infrastructure reconstruction and future preparedness. As in the case of the tsunami relief campaign, GI played a key advisory role in matching donor requests to the right humanitarian organizations.

Although an intranet site for employee donations was established, the Hurricane Relief Fund was financed almost entirely by corporate gifts solicited by the CEOs, with the assistance of GI. This became known as the Global Alliance. Each CEO volunteered a peer group list of corporate executives (totaling almost 700) with whom they had some relationship. GI drafted a letter requesting a donation (corporate or personal). It was approved and signed by the partners and then mailed. The decision to approach the peer group rather than an employee giving campaign, as with the tsunami, was influenced by a number of factors. While the corporate CEOs and presidents cared deeply about the events on a personal level, or had corporate links to the communities in the region, they did not feel it was appropriate to appeal to their employees for donations via their corporate intranet. In addition, the series of storms that ravaged the Caribbean and Mexican coastline during that hurricane season caused enormous damage but did not get the same media attention as the tsunami.

Perhaps the most important role GI played was in keeping the (campaign) ball rolling. After the first solicitation there was a flurry of donations and it was GI's job to keep the corporate partners on track and keep the momentum going.

7.3. Lebanon Crisis

On September 22, 2006, the Department of State organized the first United States business delegation to Lebanon, bringing corporate leaders to the region in the wake of the conflict. The CEOs of four corporations committed their support to the US-Lebanon Partnership. They contacted GI to manage the fund as administrative partner.

The fact that GI had already guaranteed the integrity of its member charities immediately offered assurances to the corporate partners.

Identifying the charities best suited to the donor requirements was one of the main challenges. GI began to solicit proposals from charities to see who had the ability to support the specific objectives of the partners. After narrowing down the proposals they presented them to the corporate partners. In order to meet the disaster relief objective of the partnership GI even looked outside their 50 members, and invited Habitat for Humanity International to get involved. Throughout the process, GI played a coordinating role, making sure that the program reports and financial statements were returned on time and distributed to the donors.

7.4. GI – A Successful Broker

Since 1995, GI has seen its revenues grow from USD 6 million to USD 141 million and in 2007 was ranked number 118 in the Philanthropy 400 ranking of non-profit organizations. GI currently offers six types of donation campaigns to the corporate sector on behalf of its members: Employee Giving Campaign, Campaign Management, Charitable Fund Management, Global Alliance, Global Alert and Global Ambassador. They follow nine rules of engagement in matching donor requirements to their members' needs. GI's CEO, Renee Acosta, outlined these rules in February 2007 at The Conference Board Europe's working group meeting on "Corporate Responses to Humanitarian Disasters" held at INSEAD (Van Wassenhove, Tomasini, and Stapleton, 2008). They are as follows:

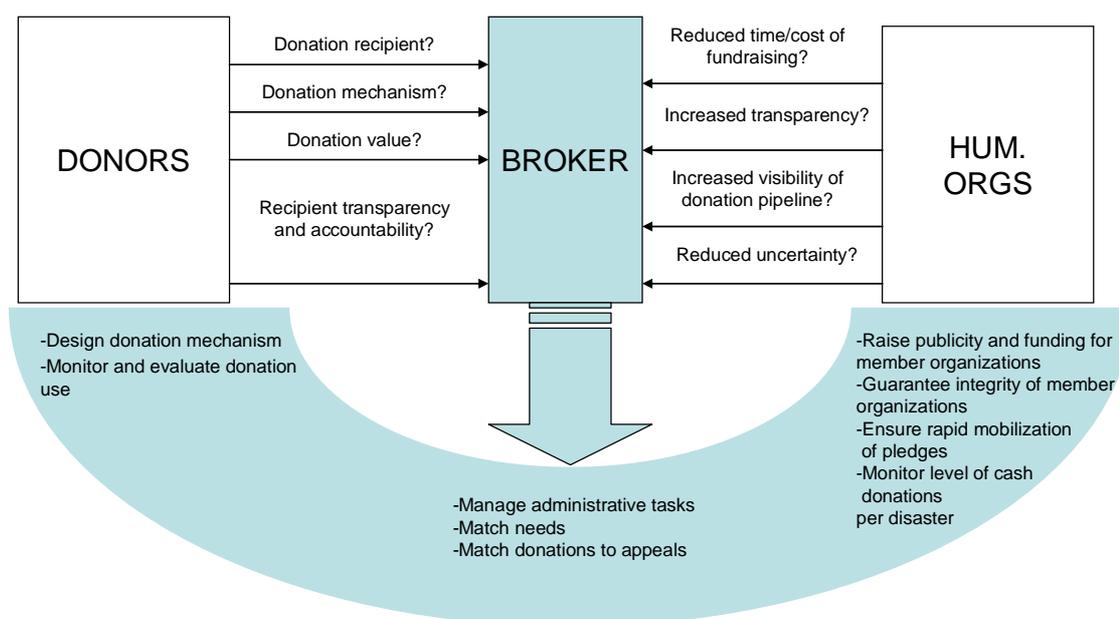
1. Determine the goal and scope
2. Define and agree clear expectations, roles and responsibilities
3. Agree to financial practices
4. Determine the lead partners
5. Assess the relationship and reputation capital of each partner
6. Establish a system for frequent and meaningful communications
7. Discuss and agree on how credit and acknowledgement will be given publicly
8. Establish an exit strategy for all partners
9. Evaluate the project

In the aftermath of a disaster, when time is of the essence and humanitarian organizations are heavily engaged in the response operation, it is unlikely that these necessary steps could be taken without a broker such as GI.

8. Role of Broker Organizations

This section explores some of the benefits that can be gained collectively by the broker, the donors and by the recipient organizations, as illustrated in figure 1.

Figure 1: The Role of Broker Organizations in Facilitating Cash Donations from Corporate Donors to Humanitarian Organizations



8.1. Collective Benefits

Broker organizations act on behalf of their member humanitarian organizations and in the interest of their corporate donors to achieve a unified goal in response to humanitarian disasters. Lorenzoni and Baden-Fuller (1995) state the main advantages of strategic centres are that they “create a vision in which partners play a critical role, provide strong brand image with effective systems and support, create an atmosphere of trust and reciprocity and develop mechanisms for attracting and selecting partners”.

Broker organizations in facilitating the donation process fulfil the role of strategic centre. They create new and innovative ways for corporations to donate and match the strengths of the donor with the capacity of the recipient organization. They can also provide a strong brand name that all partners can identify with. Through constant sharing of information, they create an atmosphere of openness and trust that is crucial in the donation process. Finally, they expand the network of partners to match the wide range of humanitarian organizations with the interests of corporate donors creating a multiplier effect.

In addition to these services brokers also manage the motivation of their partners. Between disasters, brokers are constantly raising awareness of the work of their humanitarian member organizations and identifying the key areas of interest of their corporate donors. In this way, they build the foundation for a unified response in the event of a disaster. During a disaster response, brokers manage the donation process from beginning to end. They motivate partners throughout the duration of the response as the initial surge of activity begins to wane. They also monitor the progress of the project to ensure that donors are constantly up to date.

Corporations and humanitarian organizations operate under time and resource constraints. Administrative processes can consume large quantities of both. This can act as a deterrent for corporations to become involved in donating to humanitarian organizations. Bureaucratic processes also detract humanitarian organizations from their core activity of responding to disasters. Brokers administer the donation process from the initial stages of identifying and validating humanitarian organizations' legitimacy to carrying out project evaluations for donors. Removal of the administrative burden of the donation process increases incentives on both sides. The broker organization can benefit from an increase in humanitarian and corporate members and the revenue growth associated with this.

8.2. Donor Benefits

Broker organizations are in a strong position to advise potential donors on the special skill set or capacity of the receiving organization. This allows donors to align their

core competencies or interests of their employees with those of the humanitarian organizations they sponsor.

In the wake of a disaster the first question on most people's mind is "how can I help?" However, understanding how to go about setting up the donation mechanism can be difficult and time-consuming. Broker organizations can alleviate this by advising corporate donors on the donation mechanism that may best suit them. This could be establishing an internet link for their employees, partnering with other corporations with the same interests or establishing longer term funding projects as opposed to a once-off donation. The donor does not become overwhelmed by the multiple options available but can leverage specific strengths such as an interested work force or a wide network of other CEOs.

Uncertainty regarding where or to whom money is being directed can be a deterrent to donors, particularly for corporate donors using employee or shareholder money. Research into the origins and objectives of each organization in the humanitarian field takes time and resources. By handling the certification of recipient organizations and administrative aspects of the donation process, brokers take responsibility for where the money is sent. This assurance that the money is being sent to a validated organization alleviates much of the uncertainty associated with giving. It further increases the level of donor confidence as they no longer give to an unfamiliar organization but rather to a trusted partner.

Once the initial donation has been made, finding out what the money was used for can be challenging. This is particularly important for corporate donors who are accountable to their shareholders or employees. Brokers carry out monitoring and evaluation of the humanitarian projects so as to inform donors of how their funds were used. Corporations then have visibility over the benefits brought about by their donations and communicate this to their stakeholders. This practice generates trust through transparency and allows donors to contribute to multiple projects without allocating valuable resources monitoring them.

8.3. Recipient Organizations

The nature of humanitarian work requires preparedness to respond immediately to disasters. However, this preparedness is impaired by uncertainty in demand and supply. Reducing uncertainty in relation to funding, for example, by converting pledged donations into cash, allows humanitarian organizations to better prepare. The role of brokers in the donation process provides organizations with greater visibility on the pipeline of donations. It also avoids the problem of overfunding as the broker can monitor the level of cash going towards one disaster or organization. With greater knowledge of the funds available, humanitarian organizations have a more secure foundation upon which to prepare and implement their response.

Fundraising takes a large amount of time and resources. To be considered for funding in the wake of a disaster, organizations must be present on the ground to carry out assessments, launch funding appeals and submit funding proposals within 72 - 120 hours. For smaller organizations this is particularly difficult, but for all involved it is time consuming and detracts from the core activity of responding to the needs of the beneficiaries. Similarly, between disasters, raising awareness and funding are very important but not all organizations have the resources. Brokers provide humanitarian organizations with a way to reduce resources spent on fundraising and publicity by raising awareness as well as funding on their behalf.

Today's political climate has impacted corporate donors' confidence in funding humanitarian organizations, increasing the need for humanitarians to show transparency in their organizations and to comply with certain legal requirements. For humanitarians, these processes are not always clear and can consume valuable time and money. Brokers remove this additional pressure for compliance from humanitarian organizations and guarantee the integrity of the organizations for the donors.

9. Conclusions

At the onset of a disaster, donations are as essential as they are unpredictable. In this paper we study corporate donations to humanitarian organizations for use in their relief operations. Using descriptive case studies we highlight some of the challenges in matching donations to needs. We describe the different options available to

companies who wish to donate to humanitarian organizations. These include partnerships, volunteer programs, goods, and cash. For each of these we identify some advantages and disadvantages related to their implementation. We focus on cash as the most common form of corporate donations.

We explore the issue of cash donations from the perspective of both humanitarian organizations and corporations to analyze the impact a broker could have on matching needs with donations. Humanitarians operate with high levels of uncertainty in response to disasters. Increased assurance of the quantity and type of donations helps reduce supply uncertainty. It also leads to increased efficiency as organizations spend less time and resources dealing with donors or unsolicited donations that can clog the supply system.

Corporations have an interest in contributing to efficiency in order to achieve greater impact on behalf of the beneficiaries. But corporations require assistance in trying to contribute to humanitarian operations. Beyond the administrative process of making a donation, brokers can help corporations align their interests with the activities of a particular organization. Brokers can also help overcome fears the donor may have of donating to unfamiliar organizations. The brokers carry out due diligence on the humanitarian organizations and guarantee a level of transparency that reassures companies about destination and usage of their funds.

Finally, if done well, the relationship between the humanitarian organizations, the corporate members and the broker should yield winning scenarios for all three parties. The humanitarian organization will benefit for the reasons outlined in the paper, contributing overall to the efficiency and effectiveness of the response operation. The corporate will benefit from the high level of transparency the broker creates and by gaining visibility as to how their donation has been used. They can also communicate information on the impact of the donations, as provided by the broker, to their different stakeholders. Lastly, the broker wins in terms of building their brand. As the number of member humanitarian organizations and donor partners grows, the broker is in a stronger position to secure its funding revenue to cover the operating costs and invest in expanding its portfolio of services.

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