

BRIDGING THE GAP: A REVIEW OF PRIVATE SECTOR ENGAGEMENT IN HUMANITARIAN ASSISTANCE

Context

The intersection between private sector engagement (PSE) and humanitarian assistance (HA) is a subject of discussion among development practitioners. Despite documentation that PSE in the HA field has grown recently, robust evidence of its impact is largely lacking. To further understand this topic, USAID’s Bureau of Humanitarian Assistance funded the Pulte Institute for Global Development’s expansion of the PSE [Evidence Gap Map](#) (EGM) through the LASER PULSE Consortium. This brief highlights the main findings from three evidence reports LASER PULSE prepared for the EGM activity. Links to the full evidence reports can be found in the reference section at the end of this document.

Methodology

Evidence Search and Mapping Strategy

Our analysis is based on qualitative methods following a systematic review of the literature, providing a contextualized understanding of PSE in HA (Figure 1). We identified and coded 184 documents using Atlas.ti software and grouped the resulting evidence into **five geographic regions, five HA stages, four causes of emergencies, and 12 sectors**. In addition, we coded the selected documents for PSE motives, barriers, and value-added.

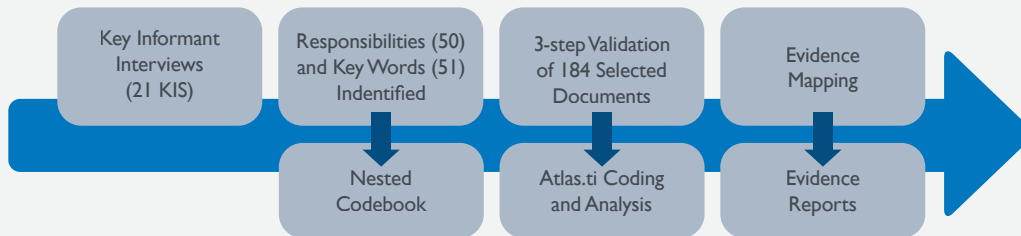


Figure 1: Evidence Search Strategy for evidence mapping and analysis

Documents Reviewed

The documents reviewed span two decades (with greater emphasis on the past five years) (Figure 2) and belong to eight document types (Figure 3).

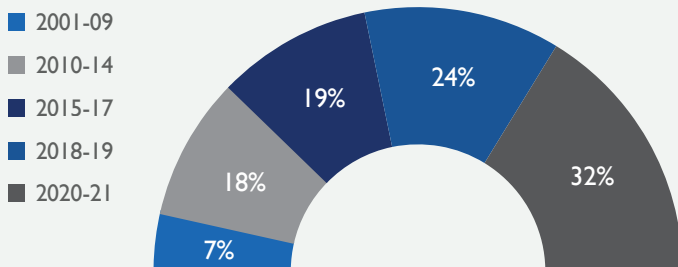


Figure 2: Year reviewed documents published or prepared (n=184)

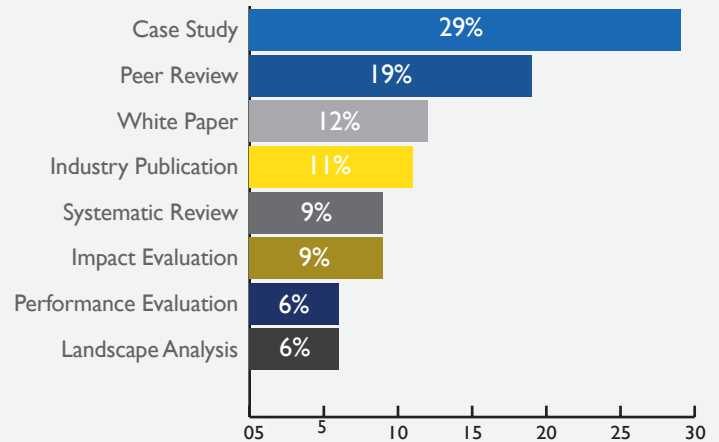


Figure 3: Document types reviewed for PSE coding

Limitations

Our document review is limited to HA and did not include PSE in the development sphere. The focus was on PSE in HA in the global south and, as a result, evidence of PSE in HA in the global north is limited. Due to the timing of our work, our analysis does not include evidence related to the Ukraine crisis. Our results are thus general insights into PSE in HA but do not aim at statistical validity and generalization.

Findings

Regions of PSE

Most documented PSE evidence comes from Africa, with the most limited coming from the US, Canada, and Europe, likely due to our document search focus on the global south.

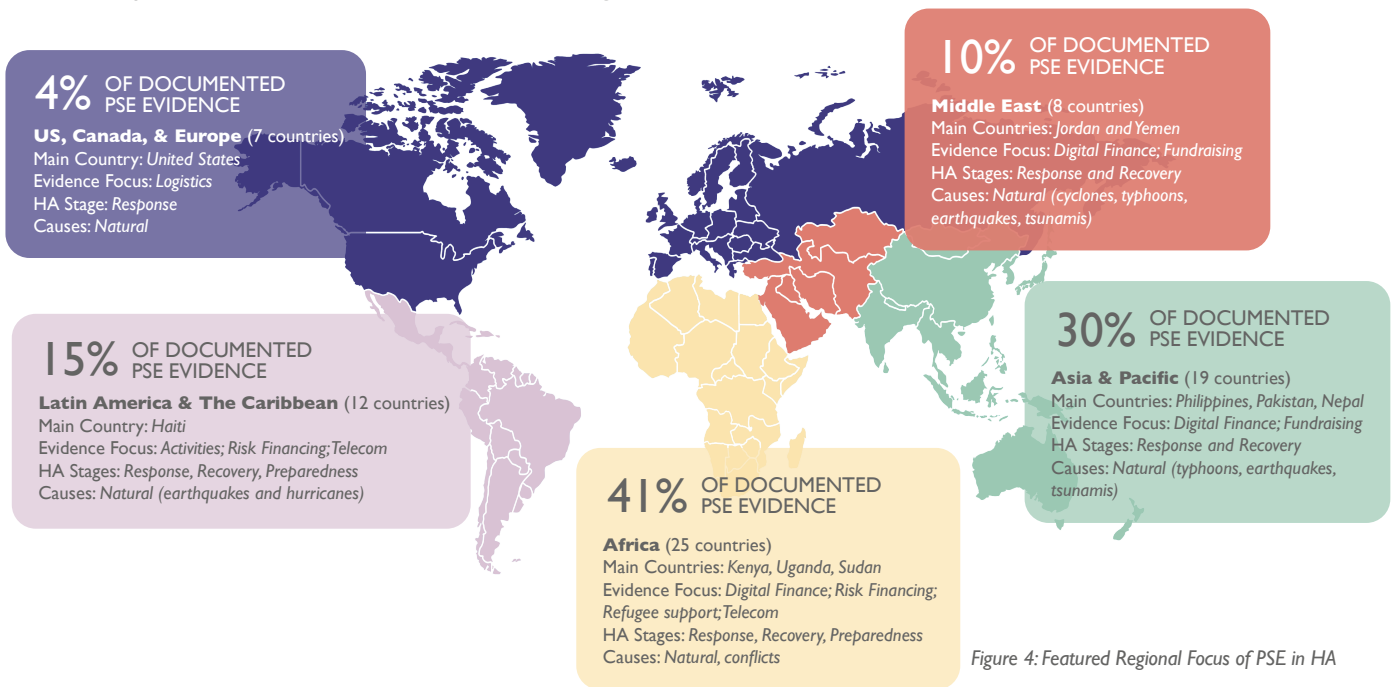


Figure 4: Featured Regional Focus of PSE in HA

Humanitarian Stages and Causes of PSE

Documented evidence of PSE is highest at the response stage of HA and the lowest for emergencies related to agricultural causes.

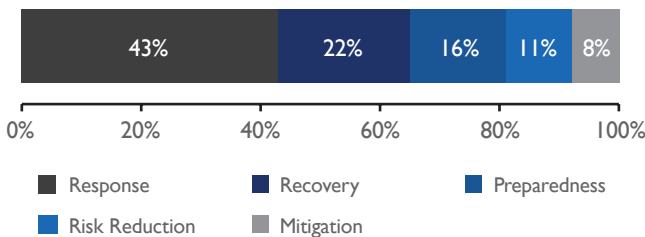


Figure 5: PSE in different stages of humanitarian assistance

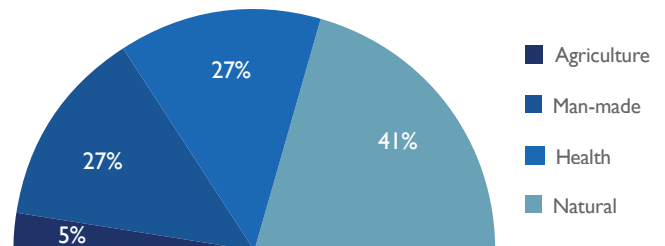


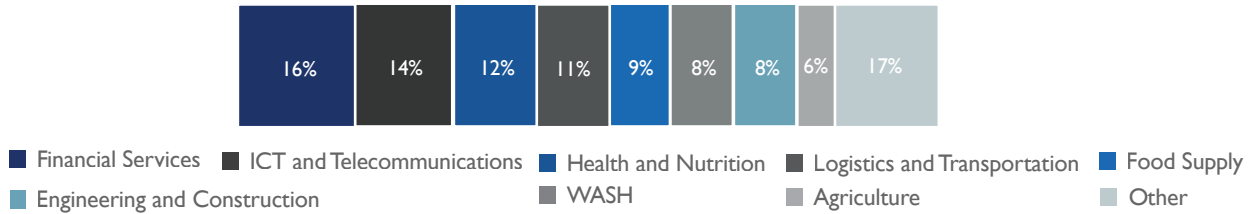
Figure 6: PSE in emergencies related to different causes

Sectors in PSE

The documented evidence of PSE in HA is highest for the financial services sector (FSS) and information, communication, and technology (ICT) & telecommunication. There is high co-occurrence, which suggests complementarity between the FSS and ICT sectors (Figure 7). For further details, see Evidence Report 1.

FINDINGS: MOTIVES AND BARRIERS FOR PSE IN HUMANITARIAN ASSISTANCE

Figure 7: Share of documented evidence of PSE across different sectors



Motives for PSE in HA

We analyze PSE motives as (1) financial and (2) non-financial. The total documented evidence on PSE motives in HA is relatively more noted for the response stage and least frequently for the mitigation stage; more noted for the Africa region and least frequently for Latin America & the Caribbean, and the Middle East in the global south, more noted for man-made emergencies and least frequently for emergencies related to agricultural causes.

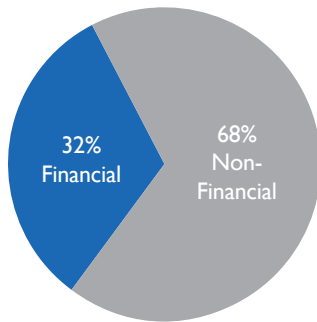


Figure 8: Financial and non-financial motives for PSE in HA

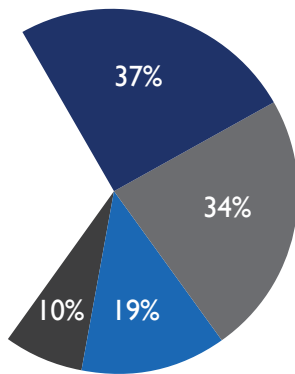


Figure 9: Disaggregation of non-financial motives of PSE in HA

While the seemingly non-financial motives for PSE in HA are documented more frequently than financial ones, the share of the different non-financial motives varies based on the type of business. **Foreign businesses (mostly multinationals from the global north) tend to engage in HA for new partnerships, altruistic causes, and as part of CSR contribution (business reputation)** (Figure 10). However, engagement based on seemingly altruistic cases is higher for SMEs and national businesses from the global south.

Evidence of motives for PSE in HA leans heavily towards non-financial motives (Figure 8). The higher share of PSE based on non-financial motives compared to financial motives holds for all stages of HA. Within examples of financial motives, PSE based on new investments is more common than PSE based on existing investments. Results are consistent across stages, causes, technical sectors, and regions.

The disaggregation of the non-financial motives into four groups (Figure 9) **suggests that PSE in HA is for exploring new partnerships**, followed by altruistic motives are two major non-financial motives for PSE in HA. The non-financial motives were documented as reported in the reviewed documents. We cannot judge whether the objectively seemingly altruistic engagements based on corporate social responsibilities (CSR) are purely nonfinancial or have indirect financial motives (at least in the longer run). **The evidence documented suggests that most seemingly non-financial PSE have business interests (strategic philanthropy).**

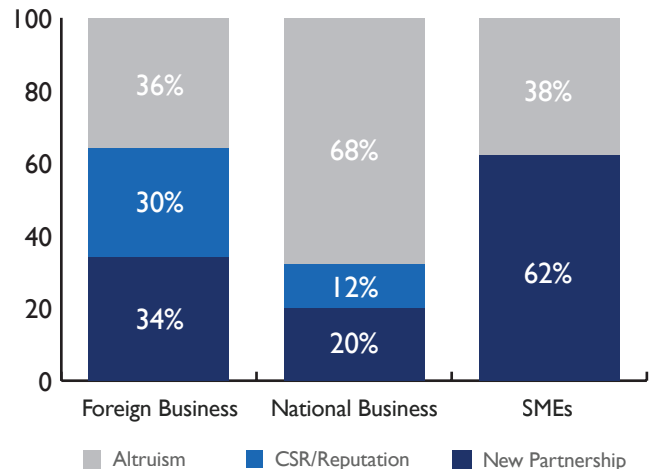


Figure 10: Non-financial motives of PSE in HA for different types of businesses

FINDINGS: VALUE ADDED OF PSE IN HUMANITARIAN ASSISTANCE

Barriers for PSE in HA

The motivation for PSE in HA is growing, yet many barriers prevent effective engagement. **The most prominently highlighted barrier centers around coordination & monitoring** (Figure 11). There is high co-occurrence among the three major barriers, reflecting the complexity of the PSE in the humanitarian space. For further detail, see Evidence Report 2.

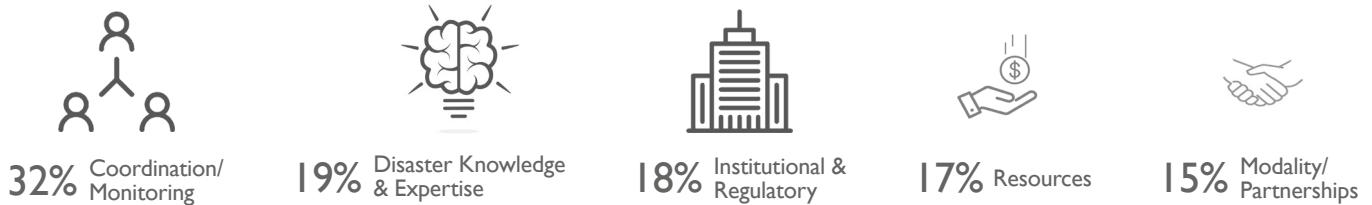


Figure 11: Barriers of PSE in humanitarian causes (% of total documented evidence related to barriers)

Value Added of PSE in HA

The evidence on Value Added of PSE (VA-PSE) is not well documented, at least in a way that shows the effects of PSE on the performance of HA activities when controlled for the PSE variable. In several instances, the VA-PSE could be comfortably implied based on approaches, partnerships, and achievements documented in the reviewed literature. This study takes advantage of such implied VA-PSE in addition to those that are more explicitly stated. Due to methodological limitations, the added value (contribution) may not be entirely attributable to the PSE approaches discussed in many instances. We grouped VA-PSE into six indicators. Overall, the evidence of improved reach is the most established, and the evidence of cost efficiency is the least.



Figure 12: Disaggregation of documented evidence of VA-PSE into six indicators (% of total documented evidence)

The evidence on the different indicators of VA-PSE is limited and not uniformly spread across all stages of HA and within regions, types of emergencies, and technical sectors. Figure 13 shows the percentage of the total documented evidence on VA-PSE in each region for each of the six VA-PSE indicators. The bulk of the VA-PSE evidence documented is for Africa and Asia, a few sectors (like financial services, logistics, ICT) for engagements of multinational companies in HA activities in the global south, and in humanitarian response activities related to natural and man-made emergencies. For further detail refer to Evidence Report 3.

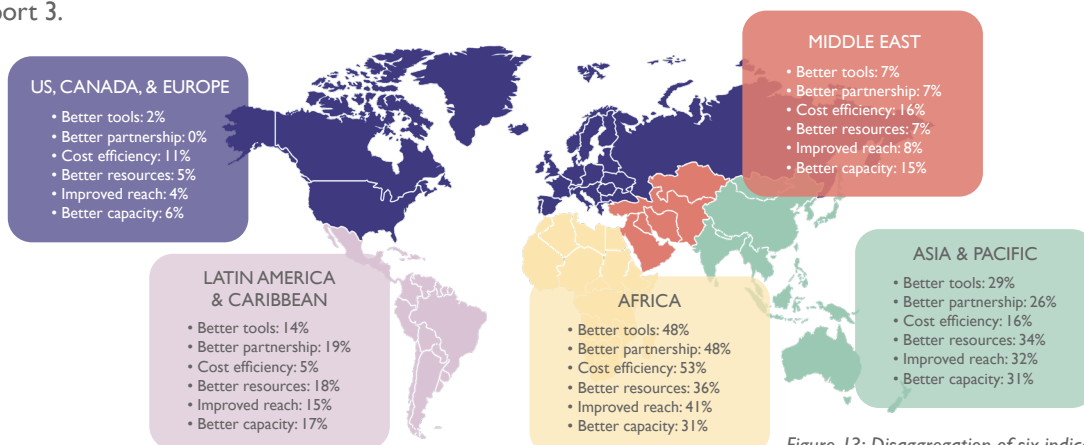


Figure 13: Disaggregation of six indicators of VA-PSE across regions (percentages are the regional share of total documented evidence for each indicator)

Conclusion

Despite documentation that PSE in the HA field has grown in recent years, robust evidence of its impact is largely lacking and skewed to a few regions/ countries, multinational companies, humanitarian response, and sectors. This analysis reveals that while the private sector serves as a useful enabler in HA and disaster relief, more research is required to determine the effects of barriers and incentives on effective PSE. VA-PSE in HA was also poorly documented in breadth and scope, although we gleaned that most evidence is related to improved reach, while the least documented is related to cost-efficiency. The existing evidence gaps in PSE in HA make it difficult to generalize the findings.

Recommendations

The following recommendations are suggested for USAID representatives, private sector partners, and the broader humanitarian community to inform and improve future engagements.

Recommendation 1: Invest in localizing the evidence base. Engage a wider variety of private sector actors, particularly at the national and local levels considering the importance of local businesses, including SMEs in the global south. In some instances, consider the evidence in local languages and newspapers. There is a strong possibility that the motives, barriers, and outcomes they sustain differ from foreign private sector actors.

Recommendation 2: Invest in a more rigorous evidence base. This would require engaging broader sectors and countries in building the evidence base. Invest in expanding evidence around PSE's added value, sustainability, and cost-effectiveness in HA. Also, investigate more on the motives and barriers to better engage with the private sector in HA. This may require resources and tools that will allow private sector and HA actors to efficiently address barriers to engagement in emergency settings.

Recommendation 3: Create an international PSE in HA learning agenda. Invest in a more rigorous evidence base for VA-PSE by developing a VA-PSE Monitoring, Evaluation, and Learning (MEL) toolkit. Encourage cost-efficiency inquiries in PSE activities. Encourage PSE involvement in underserved emergencies to promote equity and inclusion in HA activities.

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For more information about the project, please visit the [PSE Evidence Gap Map](#) and the following evidence reports.

Gautam, Shriniwas; Jaclyn Biedronski; Paul Perrin; Lila Khatiwada. 2022. **[Dissecting the Evidence Landscape of Private Sector Engagement in Humanitarian Assistance: Evidence Report 1](#)**. West Lafayette, IN: Long-term Assistance and Services for Research -Partners for University-Led Solutions Engine (LASER PULSE Consortium).

Gautam, Shriniwas; Jaclyn Biedronski; Paul Perrin; Lila Khatiwada. 2022. **[Incentives and Barriers for Private Sector Engagement in Humanitarian Assistance: Evidence Report 2](#)**. West Lafayette, IN: Long-term Assistance and Services for Research - Partners for University-Led Solutions Engine (LASER PULSE Consortium).

Gautam, Shriniwas; Jaclyn Biedronski; Paul Perrin; Lila Khatiwada. 2022. **[Value-Added of Private Sector Engagement in Humanitarian Assistance: Evidence Report 3](#)**. West Lafayette, IN: Long-term Assistance and Services for Research - Partners for University-Led Solutions Engine (LASER PULSE Consortium).

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About Laser Pulse

LASER (Long-term Assistance and Services for Research) PULSE (Partners for University-Led Solutions Engine) is a five-year, \$70M program funded through USAID's Innovation, Technology, and Research Hub, that delivers research-driven solutions to field-sourced development challenges in USAID partner countries.

A consortium led by Purdue University, with core partners Catholic Relief Services, Indiana University, Makerere University, and the University of Notre Dame, implements the LASER PULSE program through a growing network of 3000 researchers and development practitioners in 74 countries.

LASER PULSE collaborates with USAID missions, bureaus, and independent offices, and other local stakeholders to identify research needs for critical development challenges, and funds and strengthens the capacity of researcher-practitioner teams to co-design solutions that translate into policy and practice.