

**THE BUSINESS**  

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**HUMANITARIAN**  

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**FORUM**

**THE POSITIVE POTENTIAL OF THE  
PRIVATE SECTOR**

**GENERAL REPORT  
2002 — 2004**



**HONORARY CO-CHAIRS:**

MR. GEORGE F. RUSSELL, JR.  
THE HONORABLE JOHN C. WHITEHEAD

*“The objective of the Business Humanitarian Forum is to bring the resources, energy and creativity of business to bear on the world’s humanitarian problems, for economic development, human security and well-being.”*

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# THE BUSINESS HUMANITARIAN FORUM

## GENERAL REPORT

PERIOD COVERED: 2002-2004

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## THE BHF IN BRIEF

The Business Humanitarian Forum has made important progress during the three year period 2002-2004, leading to the celebration of its fifth anniversary in 2004. At a reception for that anniversary, the BHF presented its first Business Humanitarian Award to Mr. Rory O’Riordan, Chairman of the European Generic medicines Association, for his leadership in providing a donation for the development of a generic medicines production company in Afghanistan.



Mr. Rory O’Riordan holds the 2004 Business Humanitarian Award. With him (from left) are Amb J. Maresca (BHF President); Mr. George Russell (BHF Honorary Co-Chairman); Dr. Karim Baz (President, Baz Pharmaceuticals); and Amb A. Omer (Afghan Permanent Representative to the UN Offices in Geneva).

Primarily a consciousness-raising organization during the first three years of its existence, the BHF struck out in a new direction in 2002, pioneering a creative effort to bring together established businesses with partners in post-conflict and very poor countries, to create new, locally-owned enterprises that will contribute to sustainable economic reconstruction and development.

The BHF is now expanding and searching for new support to permit it to continue and replicate this important new type of activity in the countries where it is most needed. The organization received its first grant from a UN organization in 2003, and its first funding from a government in 2004. This trend is continuing, as more institutions and organizations begin to understand the groundbreaking nature of the BHF’s activities. But the BHF is also searching for inventive new ways to finance its activities, in keeping with its innovative spirit.

## HOME OFFICE

In January 2004, the BHF moved to new offices located in the International Environment House II, a new building erected by the Canton of Geneva to house UN and non-profit organizations. Under the management of the Fondation des Immeubles pour les Organisations Internationales (FIPOI), the building is a modern, energy efficient structure which incorporates the latest technical innovations as well as spacious meeting rooms for seminars, training sessions and international conferences.



The International Environment House II.

## THE BHF'S MANDATE

The Business Humanitarian Forum (BHF) was created to encourage dialogue and support between the business and humanitarian communities, based on their common interest in the stability and prosperity of developing societies and countries in transition. Greater understanding will increase cooperation between the two sectors, thus contributing to world stability and development.

The BHF's mandate is to encourage and develop new and innovative ways to bring the resources, energy and creativity of the private sector to bear on the world's worst humanitarian problems.

The BHF was founded in Geneva, Switzerland in January 1999 by a group of senior representatives from the private sector and humanitarian organizations. United Nations Secretary General Kofi Annan sent a personal message to the meeting, stressing the importance of private sector cooperation with UN agencies, in view of their common vision that "expanding markets and human security and well-being go hand in hand."

"In a world of common challenges and common vulnerabilities, the United Nations and business are finding common ground. . . . The business community has a crucial role to play in all of this work."

-- UN Secretary General Kofi Annan in a personal message to the founding session of the BHF, Geneva, 27 January, 1999.

The BHF is now a worldwide, non-profit, tax-exempt association based in Geneva. It is registered under the laws of Switzerland and the Canton of Geneva. It has two Honorary Co-Chairmen, George F. Russell, Jr. and the Honorable John C. Whitehead, both of whom were co-founders of the BHF. It is managed on a day-to-day basis by an Executive Board in Geneva. An American affiliate, BHF USA, is registered in Washington, D.C., as a non-profit, tax-exempt organization under Section 501(C)(3) of the IRS Code. (See Annex for full lists of BHF founders and board members.)

## PRIVATE SECTOR ROLE IN ECONOMIC DEVELOPMENT AND RECONSTRUCTION

Bringing the resources, energy and creativity of the business community to bear on the world's most pressing humanitarian problems is one of the big new ideas of the 21st century. The world's humanitarian needs are growing, but the resources which governments are able to devote to them are dwindling. At the same time, business is the world's greatest allocator of resources, the world's biggest employer and provider of jobs, the principal creator of wealth and therefore also the principal eliminator of poverty. Business pays a major portion of the world's taxes, provides philanthropic donations, and is constantly producing new technologies and products to improve the quality of human life. The potential of business to reduce human suffering is enormous, but much of this potential has remained untapped. The BHF encourages and facilitates better use of this potential, in coordination with the humanitarian community.

Business already plays an important role in humanitarian work through its corporate philanthropy donations, its direct support for humanitarian programs, and the many foundations established by successful business people which fund humanitarian work. The challenge of attracting business support for humanitarian work is not so much a matter of convincing businesses that they need to play a role, but rather of encouraging greater involvement, guiding interest in the most constructive directions, and facilitating it for the companies concerned. The aim must be to make humanitarian support very simple, so that a company can do something which is worthwhile, aligned with the company's business objectives, limited in scope, and achievable.

### POST-CONFLICT RECONSTRUCTION

Conflicts are the greatest multipliers of humanitarian problems, and in their aftermath even greater efforts must be made to address the resulting humanitarian problems. This is where the interest, investment capacities, and cooperation of business are most needed. But businesses are hesitant to invest immediately after conflicts because of the uncertainties inherent in post-conflict situations -- general instability, low levels of security, absence of many normal services such as banking, transportation links, communications and insurance, and the prospective difficulties in earning a fair profit.

The international community seeks to improve post-conflict situations by assisting the country concerned to re-establish framework conditions in which business and other aspects of economic life can function normally. This is important as a basis for individual business operations.

Nonetheless, businesses focus on specific opportunities which fit their business model, and unless they are attracted to such opportunities, they will not invest. New ways must be found to attract and involve businesses in these circumstances.

### NEW MODEL FOR PRIVATE SECTOR INVOLVEMENT IN POST-CONFLICT RECONSTRUCTION

The BHF has developed a new model for public-private cooperation on specific development projects which can make an important contribution to re-building the economies of post-conflict and developing societies. The BHF is doing this work in collaboration with the UN Development Programme (UNDP), under the provisions of a general Memorandum of Understanding (MOU) between the two organizations.

“The BHF has the required professional expertise and staff to work with the private sector in arranging economic development projects as individually agreed with UNDP, and is committed to the principles of participatory, sustainable human development and development assistance, has demonstrated the capacity needed for activities involved in accordance with the elements of this MoU, is apolitical and not profit-making,”

-- excerpt from UNDP-BHF Memorandum of Understanding, May 2003.

Projects developed on the BHF model identify humanitarian needs and appropriate sustainable economic development opportunities in post-conflict situations, take advantage of business interest in corporate philanthropy and social responsibility, recruit local investors, make use of the credibility of UN organizations and the interest of local authorities to see early economic regeneration. The BHF itself undertakes the work of researching, selecting and recruiting private sector contributors, putting together project proposals, negotiating partnering agreements and other necessary documentation, finding necessary funding, and managing the overall development of the project.

The BHF fully supports the UN's Global Compact, and requires responsible corporate practices and economically sustainable activities of its partners. The results of the projects undertaken within these criteria are local jobs, local ownership, badly-needed locally-produced goods, local economic regeneration, local models of corporate responsibility, and -- perhaps most important of all -- hope that a better future is possible.



Dr. Karim Baz lays the ceremonial foundation stone for the BHF's generic medicines factory project during a Ground-breaking Ceremony in Kabul, June 2004.

## ACTIVITIES 2002-2004

From its inception, the BHF has undertaken a variety of activities to encourage and facilitate dialogue and cooperation between businesses and humanitarian organizations. The BHF has sought increased recognition that support for humanitarian work is in the direct business interest of companies, and that business investment, which provides economic stimulus and jobs, contributes directly to humanitarian objectives. This is the basic synergistic relationship between business investment and humanitarian activities.

In 2002, the BHF moved beyond its original activities of consciousness-raising and facilitating dialogue by initiating actual economic reconstruction and development projects together with private sector and humanitarian organizations, focusing on Afghanistan as a post-conflict society. Working informally with international organizations represented in Geneva, plus its extensive range of private sector contacts, the BHF began assembling specific private sector economic development projects.

The BHF is now actively seeking support for sustainable economic development projects in other post-conflict and under-developed areas, as well as offering consulting advice and support, and organizing training activities in its field of activity. The BHF's current work program, reflected in this document, includes all these elements.

In 2004 the BHF carried out an evaluation of the programs it has undertaken thus far, both in terms of their capacity for covering costs and their intrinsic public interest value in relation to the BHF's mandate. Based on this evaluation, the BHF is projecting a work program for the next five years which will allocate work time proportionately to these existing programs. As time and resources permit, the BHF will consider adding new programs, particularly in post-conflict or very poor countries. The BHF will also seek to develop new and creative ways to motivate the private sector to support its programs.

## PROGRAMS

The following is a summary of the BHF's programs during the period 2002-04,

### CONSCIOUSNESS RAISING

. . . including conferences, seminars, public speaking, articles, website, newsletter.

This program has continued activities begun in 1999, when the BHF organized a conference in Washington in cooperation with the Center for Strategic and International Studies (CSIS), on the general theme of business support for humanitarian work. A special section of the *Washington Quarterly* was devoted to the conference, with articles based on presentations by World Bank President James Wolfensohn, UN High Commissioner for Refugees Sadako Ogata and BHF President John Maresca. This has been a lasting point of reference for the BHF and a useful documentation preserved on the BHF website.

“Business today thrives on partnerships. Globalization means that business has never before been so dynamic in searching for synergies and in maximizing them. I represent here a very different world, in which partnerships are nevertheless as essential. And I am here to propose that you become partners in our endeavors to help people have better, safer lives. The challenges are immense. . . . Through humanitarian assistance, we can give them hope. By going a step further, and offering them opportunities, we will give them a future. They need both.”

-- Sadako Ogata, then UN High Commissioner for Refugees, at the BHF-CSIS conference in Washington, November 1, 1999.

Beginning in 2000, the BHF has also partnered with Forum Europe to host a continuing series of seminars in Brussels on the need for investment in the post-conflict Balkans countries. These seminars have resulted in numerous new initiatives for investment in the region.

The BHF website ( [www.bhforum.org](http://www.bhforum.org) ), first established in 2000, features texts of speeches, articles and publications supporting BHF themes and reporting on the organization's activities. The website typically has recorded over 17,000 visits per month, reflecting the high degree of interest in the BHF concept.



“I do not come to the business community as a matter of charity. I happen to think it is good business to have a stable world. . . . I think it is a matter of us joining with the business community in terms of looking at these situations, and I have run into wonderful young people for companies in these countries who are excited because they have a chance of doing something which links business with humanitarian and social objectives. . . . And when you go there and you see the issues of human despair and the issues of hope, and you come upon peoples who have fought to get themselves independent and to get the opportunity for a better life, you have an extraordinary group of people who are really anxious to work with you to try and develop the fabric of that society. It is not like investing in Alabama or California. It is surely very different. But it is still something that is worthwhile doing.”

-- James Wolfensohn, President, World Bank, at the BHF-CSIS conference in Washington, November 2, 1999.

The BHF continues its working relationship with the International Chamber of Commerce (ICC), which began with a conference in Paris in 2001 on Business Investment and Humanitarian Problems in Africa. That conference led to the BHF becoming a member of the NEPAD (New Economic Program for African Development) Business Group, a round table of business organizations interested in investment in Africa. The BHF's role within this group has been to focus attention on the impact of humanitarian problems on investment in Africa. As a result, the BHF President was invited to chair a panel on the impact of AIDS on the African workplace, at the ICC's annual African conference in Yaoundé in 2002.

In 2003 the BHF began publishing a quarterly electronic newsletter, which is sent to a constantly growing mailing list of people who have expressed interest in the work of the organization. This newsletter has had a broad impact, bringing new interest and support to the BHF, as well as an increasing number of speaking invitations and proposals for cooperation.

Also in 2003, at the request of the Stockholm International Peace Research Institute (SIPRI), the BHF organized part of a conference in Liechtenstein on the overall theme of “Business and Security after 9/11”. The subject of the section organized by the BHF was “Business and Conflict,” including both the effects of conflict on business and the potential of business to contribute to conflict resolution and reconstruction. The result of this conference was a book published in 2004 by SIPRI and the Oxford University Press on “Business and Security,” including a section organized by the BHF on “Business and Conflict.”

Articles on the BHF's activities have been published in the *Washington Quarterly*, *UN Chronicle*, *International Herald Tribune*, *Aid and Trade*, *Humanitarian Affairs*, *Referans* and elsewhere. Senior staff members have spoken at numerous forums on themes based on the BHF's work.



The BHF brochure outlines the basic approach of the organization. The full text is available on the BHF website, [www.bhforum.org](http://www.bhforum.org).

“Projects developed on the BHF model identify urgent humanitarian needs in post conflict situations, take advantage of corporate philanthropy and interest in corporate responsibility, recruit local investors to establish local ownership, and make use of the credibility of UN agencies and the interest of local authorities to see early economic regeneration. The BHF model draws particularly on the technical expertise and specialized resources of the business sector, and brings them to bear where they are most needed.”

--*UN Chronicle*, 2003.

## DIALOGUE

. . . including contact group meetings, working seminars and focused meetings.

From its foundation, the BHF has organized numerous contact group meetings in Geneva, bringing together interested parties for round-table brainstorming sessions on specific business-humanitarian issues. These meetings are deliberately kept small, so that there can be productive dialogue. Many of these sessions have yielded specific projects or partnerships, and have brought together persons working on the same issue for future contact and cooperation. More than 80 such meetings have been held.

As part of this program the BHF co-sponsored with the Geneva International Centre for Humanitarian Demining (GICHD) a working seminar on Bringing Business Interest to Humanitarian Demining. The seminar brought together demining specialists, technicians and representatives of companies with an interest in the demining field for discussion of new techniques and roles for the business community.

Contact Group meetings in a wide variety of formats continue as a basic, bread-and-butter activity of the BHF, and have led to a number of concrete initiatives, useful contacts, and new ideas.

## CONSULTING AND ADVISING

. . . international organizations on attracting investment to difficult areas, or on private sector fundraising.

BHF was invited by the UNDP Office in Kosovo to visit Kosovo and to advise on attracting private investment to the region. The BHF President carried out this mission, providing advice and writing a report on the issue. The visit also resulted in numerous local press articles and an op-ed piece in the *International Herald Tribune*. This first effort has been the basis for an expanding program in this area.

In 2004 BHF was invited by UNDP Bosnia to conduct a similar mission, which was carried out by a two-person BHF team in June, 2004. The mission resulted in a report and a series of focused contact groups meetings on the issue.

In 2003 the BHF President was invited by the OSCE secretariat to visit Vienna for consultations on how the BHF could help attract investment and jobs to regions of OSCE concern, especially Central Asia. The President visited Vienna for this purpose in February, 2004, and the two organizations have consulted on possible cooperation. The President carried out a similar mission to the OSCE High Commissioner for National Minorities (HCNM) in The Hague in June, 2004.

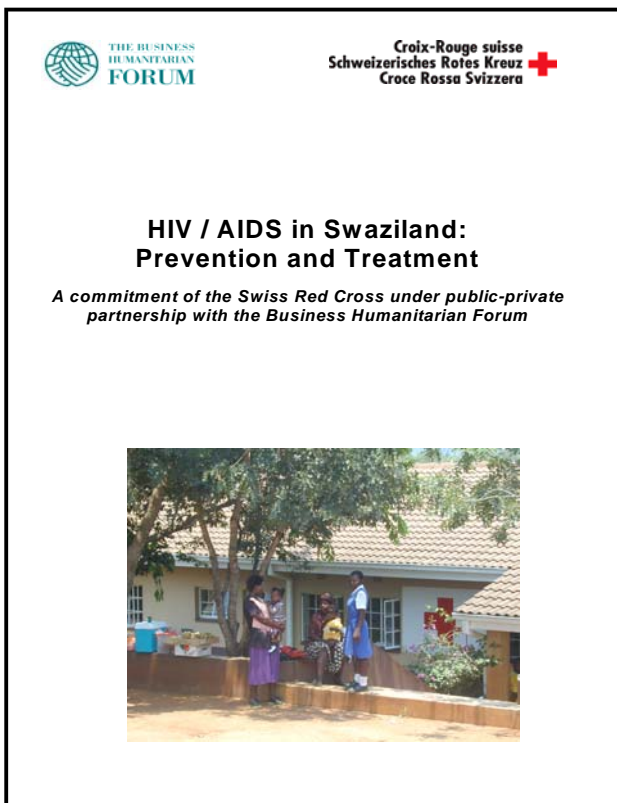
Also in 2004, the BHF signed an agreement to advise and work with the Swiss Red Cross to raise funding from the private sector for an anti-AIDS program carried out jointly with the Baphalali Swaziland Red Cross in Swaziland.

## ECONOMIC DEVELOPMENT PARTNERSHIP PROJECTS

. . . including specific development projects in post conflict societies and very poor countries like Afghanistan.

Beginning with a Contact Group discussion on what the private sector could do to help the reconstruction process in Afghanistan, the BHF started to assemble private sector economic development partnership projects in 2002. The pilot project under this heading is for a generic medicines production facility in Afghanistan, owned by Afghans, to produce much-needed medicines for the Afghan market, and to offer skilled jobs for Afghans. This project builds on a major donation of manufacturing equipment from the European Generic medicines Association (EGA), also including training, raw materials and management assistance. The medicines factory is expected to open its doors in mid 2005.

Other partners that have joined with the BHF to support this project include the Karl Popper Foundation, Deutsche Post World Net (DPWN), DHL, and Deutsche Investitions-und Entwicklungsgesellschaft (DEG). BHF's office in Kabul, which monitors this project, has been supported by the Swiss Agency for Development and Cooperation (SDC), a branch of the Government of Switzerland.



Cover Page of the joint proposal prepared by the BHF and the Swiss Red Cross to improve HIV/AIDS therapy delivery programs at Red Cross clinics in Swaziland.

This type of activity is growing for the BHF, with an increasing number of inquiries and expressions of interest. The BHF is actively seeking appropriate additional opportunities.



BHF meeting in Geneva with the Mayor of Kabul, March 2003, to discuss plans for a generic medicines production plant in Kabul. Foreground (from left) are Mr. A. Jekdalek (Mayor of Kabul); Mr. U. Daudzai (UNDP Geneva, now Chief of Staff to Afghan President Karzai). Background (from left) are Mr. J. Freymond (BHF Executive Director); Dr. C. Sommaruga (former President of the ICRC and a BHF Founder); Amb. J. Maresca (BHF President); Mr. J. King (BHF Director).

Other current and possible projects under this general heading include flour milling facilities, so that the country can be self-sufficient in production of flour, a furniture factory and a hotel.

This program has been labor intensive and risky. It has met numerous bureaucratic obstacles because of its unusual character. However, it is innovative and is directly in line with the objectives of the BHF. It has also brought considerable attention and credit to the BHF for its creative approach and its potentially important impact on post-conflict reconstruction.

## TRAINING

. . . modules, courses and programs developed in cooperation with institutional partners.

**B**HF has since its foundation perceived the need for training for international civil servants, NGO activists and private sector executives, on how to work together to achieve common objectives. Discussions have been held with a number of organs of the UN system in an effort to find an appropriate partner for initiating such activity.

During 2004 BHF has provided brief modules on such cooperation within existing training courses in the Geneva region, run by two training organisms: UNITAR, the UN training organization, and Ecogia, an NGO training mechanism. BHF offers tailored training programs for organizations on working with the private sector.

The BHF has also agreed to cooperate with the United States Institute of Peace (USIP) in Washington, D.C. to provide modules on working with the private sector in existing USIP training courses, and to develop a specific joint training program for civil servants on working with the private sector.

## BHF USA

**I**n 2002 the BHF established an American affiliate, BHF USA, a non-profit corporation based in Washington, D.C. BHF USA shares the same principles and objectives as the BHF, and supports its programs and projects. BHF USA also sponsors its own programs and events. It is a recognized tax-exempt charity under US law.

## BHF ORGANIZATION

### **Honorary Co-Chairs**

- Mr. George F. Russell Jr., Chairman Emeritus, Russell Investment Group
- The Honorable John C. Whitehead, Chairman Emeritus, International Rescue Committee

### **Founders**

- Mr. Peter Bell, President, CARE USA
- Ms. Susan Crowley, Director, International Organization Relations, Merck & Co.
- Mr. Jean Freymond, Director, Center for Applied Studies in Negotiations, Geneva
- Mr. John Imle Jr., former Vice Chairman, Unocal Corporation
- Ambassador John J. Maresca, President, BHF Association
- Mrs. Sadako Ogata, former United Nations High Commissioner for Refugees
- Mr. Vladimir Petrovsky, former Director General, United Nations Offices in Geneva
- Mr. George F. Russell Jr.
- Mrs. Jane Russell
- Mr. Cornelio Sommaruga, former President, International Committee of the Red Cross
- The Honorable John C. Whitehead
- Mr. Robert Zoellick, U.S. Deputy Secretary of State

### **BHF Board of Advisors**

- Mr. Robin Aram, Vice-president, Shell International
- Mme. Maria Livanos Cattai, Secretary General, International Chamber of Commerce
- Mr. Niels Christensen, Vice-president, Nestlé S.A.
- Mr. Chuck Hardwick, Senior Vice-president, Pfizer, Inc.
- Mr. Graham Miller, former Senior Advisor, CARE International
- The Honorable Thomas M.T. Niles, President, U.S. Council for International Business

- Ambassador Mohammed Sahnoun, Special Representative of the UN Secretary General
- Mr. Guy Toussignant, former Secretary General, CARE International
- Maitre Marc Joory, Legal Counsel

### **BHF USA Board**

- Mr. Edward W. Norton, Attorney, Chair
- Mr. Charles Hoyt, former Associate General Counsel, Mobil Oil Corporation
- Dr. Craig Llewellyn, Professor and Director, Center for Disaster and Humanitarian Assistance Medicine, Uniformed Services University Medical School
- Mr. Terrence Ryan, former President, Chamber of Commerce, Fort Worth, Texas
- Mr. Steven Umin, Partner, Williams and Connolly
- Amb. John J. Maresca (ex officio)

### **BHF Association Council**

- Amb. John J. Maresca, President
- Mr. Jean Freymond, Executive Director
- Mr. John H. King, Treasurer

### **BHF Staff**

- Mr. John H. King, Director
- Ms. Emily Talmon-l'Armee, Head of Operations
- Ms. Brigitte H. Scherrer, Project Officer
- Ms. Karri A. Goeldner, Project Consultant, Afghanistan
- Mr. Tahir Ayubzada, Manager, BHF Kabul Office
- Mr. Roberto Dotta, Project Assistant
- Ms. May Mi Than Tun, Project Assistant
- Mr. Dan O'Brien, Consultant
- Mr. Reza Morshidi, Consultant

## BHF PARTNERS AND DONORS (past and present)

- Center for Applied Studies in International Negotiations (CASIN)
- Center for Strategic and International Studies (CSIS)
- Clonmel Healthcare
- Coca Cola Africa
- Deutsche Post
- DHL
- Ethan Allen Inc.
- European Generic Medicines Association (EGA)
- Forum Europe / Friends of Europe
- Geneva International Center for Humanitarian Demining (GICHD)
- Government of Afghanistan
- Government of Germany
- Government of Switzerland
- International Committee of the Red Cross (ICRC)
- International Federation of Red Cross and Red Crescent Societies (IFRC)
- International Chamber of Commerce (ICC)
- International Rescue Committee (IRC)
- International Training Center for Local Authorities/Actors (CIFAL)
- IPP Communications Group, Africa
- Karl Popper Foundation
- Merck Sharp & Dohme Inc.
- NEPAD Business Group
- Nestlé SA
- OECD
- OPIC
- OSCE
- Pfizer Inc.
- Rio Tinto PLC
- Shell International Ltd.
- Stockholm International Peace Research Institute (SIPRI)
- Swiss Red Cross
- TFI International
- The Russell Family Foundation
- U.S. Council for International Business (USCIB)
- U.S. Institute of Peace
- UN Global Compact
- UN Offices in Geneva (UNOG)
- UNDP Kabul
- UNDP Kosovo
- UNDP Kuwait
- UNDP New York
- UNDP Sarajevo
- UNHCR
- UNITAR
- Unocal
- Whitehead Foundation
- World Health Organization (WHO)
- World Bank

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