



# THE BUSINESS HUMANITARIAN FORUM ASSOCIATION



## *Bi-Annual Report* *2010 - 2011*

The Potential of the Private Sector for Development



THE BUSINESS HUMANITARIAN FORUM  
ASSOCIATION



*Bi-Annual Report*  
*2010 - 2011*

*The Potential of the Private Sector for Development*

## *The Business Humanitarian Forum Association* *July, 2012*

*Design and Layout: Le Gong*

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Cover photos (from left to right)

1. Workers at a wood processing company in Bosnia and Herzegovina
2. Handshake between BHF and partnering organizations for a project in Afghanistan
3. Attendees of workshop on anti-corruption at BHF headquarters in Geneva

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“The quickest way to economic development is to create sustainable jobs for people.”

The two-year period between 2010-2011 was marked by a range of BHF events and activities which brought together experts from different sectors of society for discussion of cutting-edge issues of interest to the private sector as well as humanitarian organizations and NGOs. These discussions helped to clarify issues, bases for cooperation, and possible solutions.

Our international forums covered topics ranging from the private sector’s role in achieving the UN’s Millennium Development Goals, to the responsibilities of large companies operating in countries with human rights challenges, and to the best international anti-corruption practices for companies, to mention just a few examples.

The unifying themes of these activities and projects – and indeed the mandate of our organization – are to encourage cross-sector understanding and cooperation in support of economic and human development in the least-developed countries and post-conflict areas, as well as to promote ethical and sustainable policies and behavior by the private sector in general.

Through increased cross-sector understanding and cooperation, the public, private and non-profit sectors can improve conditions on the ground for local populations and actively support the

job creation process, which is fundamental for poverty alleviation. These basic themes remain as relevant as ever, even as the BHF continues to update its expertise and its focus, and to adapt the ways in which they are addressed.

The BHF continues to explore innovative ways to increase its impact on the ground, through new programs and partnerships. We are therefore looking to increase our collaboration with members of the BHF Community and to discuss new opportunities with companies and organizations which are interested in joining our common effort.

We thank all of our partners and supporters for your sustained interest and support.

A handwritten signature in black ink that reads "John J. Maresca". The signature is fluid and cursive.

John J. Maresca  
President of the BHF Association Council

# table of contents

## Overview

- 1 The BHF and its Vision
- 1 Organization and Activities

## Workshops and Events

- 2 BHF - Transparency International - ICC  
Workshop on Anti-Corruption
- 2 BHF – ICC - UNEP FI - UPEACE  
Workshops on the Private Sector's Role in  
Dealing with Climate Change
- 3 BHF - ICC  
Meeting on The Private Sector  
and the MDGs: Role, Impact and  
Opportunities
- 4 BHF - Conference Board - Swiss  
Department of Foreign Affairs  
Workshop on Company Responsibilities in  
Countries with Human Rights Challenges
- 4 BHF - TI  
Workshop on The Challenges of  
Implementing Best International  
Anti-Corruption Standards
- 5 BHF - The Evian Group @ IMD  
Joint Roundtable Event on  
Entrepreneurship and Development

## Programs

- 6 Program Updates

## Public Affairs

- 7 Participation
- 7 Communication
- 7 Consultation

## BHF Affiliates

- 8 BHF USA

## BHF Personnel

- 8 General Update

## Annexes

- 9 Organization and Boards
- 11 Partners and Donors
- 13 Financial Summary

## who we are

The Business Humanitarian Forum (BHF) was established in Geneva in 1999 by a group of senior representatives from the private sector and humanitarian organizations, and with the active support of former UN Secretary General Kofi Annan. Its mandate is to encourage and develop new and innovative ways to bring the resources, energy and creativity of the private sector to bear where it is needed most for job creation and humanitarian assistance. The BHF encourages ethically motivated support by the public and private sectors to achieve sustainable economic and human development in post-conflict areas and poor countries where investment is needed, focusing as well on building a socially responsible context for these activities.

## our vision

The BHF seeks to bridge the gap of understanding and promote cooperation between humanitarian organizations and private business, encouraging both sides to work together to solve complex development problems. The BHF works to build awareness that business has strong, ethical long-term interests in supporting the work of the humanitarian community; both the private and public sectors have common interests in the stabilization of developing and post-conflict societies as well as in the encouragement of sustainable growth and development.

## our organization

The BHF is 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 cofounders of the BHF. It is overseen by a BHF Association Council and 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 private foundation under Section 501 (C) (4) of the IRS Code.

## what we do

- Direct participation in public-private partnership investment projects;
- Assisting and encouraging local entrepreneurs, particularly women entrepreneurs;
- Facilitating contacts and support between potential partners;
- Offering relevant training courses;
- Convening contact group meetings, workshops and other forums to advance our objectives;
- Conducting public information activities that stimulate similar action; and
- Promoting sustainable development, community responsibility and ethical conduct by the public and private sectors.

In the 2010-11 period, the BHF continued to organize a number of high-caliber events and trainings on a variety of topics.

## BHF - Transparency International - ICC Workshop on Anti-Corruption

Following a critically awaited UN Convention Against Corruption (UNCAC) conference in Doha, the BHF held a workshop in Geneva on March 16, 2010 on The Relevance of International Anti-Corruption Initiatives for the Private Sector. The event was organized in partnership with the Swiss Chapter of Transparency International and the International Chamber of Commerce.

The workshop informed attendees about latest UNCAC developments as well as the status quo of key international anti-corruption and good governance mechanisms and initiatives which are of relevance to the private sector and allowed participants to learn about best global lessons and company practices in this field.

One such outcome was that despite numerous and sometimes overlapping international rules and guidelines, companies need to better integrate anti-corruption measures throughout corporate structures and improve prevention,

detection and response mechanisms to cope with potentially difficult situations.

While the well-attended workshop was mostly geared toward businesses, there was also participation by key international organizations, NGOs and academics, in consonance with the BHF mandate to encourage pro-active ethical policies and behavior by private and public sectors alike.

The [full report](#) of the workshop is available on our website.

## BHF - ICC - UNEP FI - UPEACE Workshops on the Private Sector's Role in Dealing with Climate Change

The BHF organized and held two workshops on “First Steps after Copenhagen: The Private Sector’s Role in Dealing with Climate Change”, one in Geneva on March 23 and a second one on March 25, 2010 at *economiesuisse* (largest umbrella organization representing the Swiss economy) in Zürich.

Following the disappointing outcome of the UN Climate Change Conference the



previous December in Copenhagen, the workshops were intended as first steps to restart discussions and built trust among key stakeholders, and to showcase the positive role which the private sector can and should have in dealing with climate change issues. This role encompasses both the post-Copenhagen process and policy framework but it also concerns the ability of companies to address various challenges and lead the way toward a low-carbon economy.

The two workshops were held in partnership with the International Chamber of Commerce, the UN Environment Programme Finance Initiative as well as the UN-mandated University for Peace. The events in Geneva and Zurich also enjoyed the support of the Swiss Federal Office for the Environment.

The mix of a well-balanced agenda and high-caliber speakers made it an outstanding and highly informative workshop which received great appreciation from attendees. Both workshops combined attracted over 100 senior participants and experts from different sectors.



*BHF Offices in Geneva*

## BHF - ICC Meeting on The Private Sector and the MDGs: Role, Impact and Opportunities

Following the third UN Private Sector Forum on the Millennium Development Goals (MDGs) which took place in New York, the BHF and the International Chamber of Commerce



held a joint meeting on the Private Sector and the MDGs: Role, Impact and Opportunities on December 9, 2010, in Geneva.

This well attended and highly useful event allowed senior representatives from companies, UN agencies, non-profit organizations and academia to review the outcomes of the UN Private Sector Forum, to discuss positive contributions as well as shortcomings with regard to private sector involvement in achieving the MDGs, and to highlight further opportunities and mechanisms for companies to engage in and accelerate this process.

The first session of the meeting featured keynote addresses providing new input on the meeting topic and notably discussing development opportunities and hurdles in poor areas through inclusive business models, cross-sector partnerships and promotion of sustainable entrepreneurship. The second session provided a platform showcasing concrete and



inspiring projects undertaken on the ground by international companies and leading NGOs.

The [full report](#) of the workshop is available on our website.

## BHF - Conference Board - Swiss Department of Foreign Affairs Workshop on Company Responsibilities in Countries with Human Rights Challenges

With a view towards continuing the BHF-initiated dialogue with different stakeholders on business and human rights, the BHF jointly with the Conference Board's European Council on Corporate Responsibility & Sustainability and in collaboration with the Swiss Department of Foreign Affairs (FDFA) held a third workshop on Company Responsibilities in Countries with Human Rights Challenges on February 3rd and 4th in Geneva. The event was held against the backdrop of a report by the Special Representative of the UN Secretary-General on Business and Human Rights entitled "Guiding Principles for the Implementation of the UN 'Protect, Respect and Remedy' Framework".

This special workshop, which received financial support from the FDFA, brought together about 60 senior representatives from companies,

governments, UN agencies, non-profit organizations and academia to engage in a constructive and lively dialogue about the evolution and future prospects of the UN Framework on business and human rights. While several challenges for implementing the Framework were brought up by attendees, there was general agreement in the audience that the Special Representative's team had done excellent work up until then and made significant progress in engaging and holding to account not only the private sector but all stakeholders in the debate over human rights responsibilities. In addition, the workshop identified several opportunities and mechanisms to maximize the Framework's chances for success going forward.

The [full report](#) of the workshop is available on our website.

## BHF - TI Workshop on The Challenges of Implementing Best International Anti-Corruption Standards

Following the successful launch of their first joint anti-corruption workshop last year, the BHF and the Swiss Chapter of Transparency International continued their cooperation by hosting a second workshop on "The Challenges of Implementing Best International Anti-Corruption Standards" which took place in Geneva on October 6th 2011.

The goal was to inform attendees of latest developments in the field of anti-corruption and to strengthen the dialogue on best practices for internationally active companies.

Featuring a variety of presentations by expert speakers, ranging from general policy discussions to practical case studies, the workshop brought together some 50 senior representatives from companies, but also from governments, UN agencies, non-profit organizations and academia to engage in a constructive and often quite frank dialogue on anti-corruption regimes of corporations and how they can be improved.

The wide participation by company representatives and very active partaking by all attendees were again proof of the usefulness of such a gathering. The organizing partners therefore intend to continue their cooperation on this topic and, in addition, to launch a new initiative to provide a forum for private sector practitioners throughout Switzerland, the Anti-corruption Practitioners' Circle.

The [full report](#) of the workshop is available on our website.

## BHF - The Evian Group @ IMD host joint Roundtable Event on Entrepreneurship and Development

On November 3, the BHF and The Evian Group @ IMD invited stakeholders of both organizations to a roundtable discussion with Professor Iqbal Quadir on Bottom up Entrepreneurship for Democracy and Development at IMD in Lausanne.

Joining Professor Quadir on the discussion panel were IMD Professor Salvatore Cantale, IMD Executive-in-Residence Nadine B. Hack, and John Maresca, Rector of the UN-mandated University for Peace

and President of the BHF Association Council. BHF Director John King welcomed attendees on behalf of the BHF and the event was moderated by Jean-Pierre Lehmann, Professor of International Political Economy at IMD and Founding Director of the Evian Group.

Mr. Quadir is Professor of the Practice of Development and Entrepreneurship as well as Founder and Director of the Legatum Center for Development and Entrepreneurship at MIT. He is also the founder of a company that provides mobile phone access to rural areas in Bangladesh. For two decades, he has been advocating for the critical role of entrepreneurship and innovations in creating prosperity in low-income countries. By improving connectivity, mobile phones make people more productive and increase their purchasing power, thereby contributing to greater prosperity, according to Professor Quadir. "The mobile phone is a weapon against poverty and a means of prosperity," he said.

According to Mr. Quadir, starting technology-based business in low-income countries can create jobs, raise incomes and disperse political and economic power.

"Aid to governments in poor countries has empowered the authorities instead of citizens, and this has given rise to corruption and stagnation. The dispersion of power and resources is an important indicator of progress, and technology empowers citizens," said Professor Quadir.

"The idea that business should only do well and not do good should be discarded. And entrepreneurship has to be an important part of the answer," said Professor Lehmann.

Mr. Maresca added that investment instruments which take into account responsible and sustainable corporate practices are becoming more widespread and are increasingly driving markets, because positive recognition in these areas increases the value of company shares.

BHF Director John King echoed Professor Quadir's sentiments. "The BHF has always believed that private entrepreneurship is the essential engine of poverty alleviation," King said.

# programs

While the various BHF projects on the ground were all completed in the 2010-11 time period, BHF staff was involved in evaluating new opportunities and elaborating respective projects.



*BHF supported HIV/AIDS Clinic on the outskirts of Mbabane*

## Participation

In addition to holding the conferences and workshops noted above, BHF staff also participated in a wide range of conferences and meetings at which it provided its views and experience. Below is a brief summary of one such event.

On May 18, BHF Director John King made a presentation at the Geneva Center for Security Policy for a group of diplomats studying the dynamics of Public-Private Partnerships (PPPs). The presentation focused on the way in which the private sector should be integrated into such partnerships, the value that the private sector can bring to partnership objectives, and the way in which the private sector achieves its goals. The briefing also included practical tips on dealing with the private sector to include how to reconcile sometimes major differences in points of view between public and private sector actors. The question and answer period focused on the practical modalities of setting up such partnerships, researching potential partners and joint partnership planning activities. The attending diplomats were primarily from African and Central Asian countries where the need for PPPs is particularly urgent.

## Communication

The BHF publishes a quarterly electronic newsletter which is sent to an ever growing list of subscribers. The newsletter has helped greatly to spread information about the BHF and its work, and has brought new interest and support. People desiring to subscribe to the newsletter can do so at no cost by filling in mailing information on the BHF website home page.

## Consultation

Acknowledging the BHF's role in the area of economic development, the UN Economic and Social Council (ECOSOC) has once again formally voted to grant the BHF consultative status within the ECOSOC system. This status allows the BHF to participate in the various ECOSOC meetings on economic issues and to provide its views and experiences for the record. By virtue of its consultative status, the BHF also will enjoy enhanced access to UN officials as well as to UN offices and agencies dealing with these subjects. ECOSOC consultative status constitutes official UN recognition of the legitimacy and usefulness of the BHF's work in the economic reconstruction field and allows the BHF more effectively to participate in the UN's work in this area.

## bhf affiliates

**T**he BHF's American affiliate, BHF USA, continues its work as a non-profit organization headquartered in Washington, D.C. In 2010-11, BHF USA played a role concerning contributions for BHF activities. BHF USA shares the same principles and objectives as the BHF, and supports its own programs and events as a recognized tax-exempt non-profit organization under U.S. law.

## bhf personnel

**D**uring 2010-11, the BHF was obliged to reduce its permanent staffing pattern because of economic constraints. Nevertheless, with the help of several interns brought on board for short-term projects, the BHF managed to maintain its pace of activity while reducing costs and lowering personnel overhead expenses.

*Honorary Co-Chairs:*

Mr. George F. Russell Jr.

The Honorable John C. Whitehead

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*BHF Founders*

Mr. Peter Bell  
Former President, CARE USA

Mr. Vladimir Petrovsky  
Former Director General,  
United Nations Offices in Geneva

Ms. Susan Crowley  
Former Director, International Organization  
Relations, Merck & Co.

Mr. George F. Russell Jr.  
Chairman Emeritus,  
Russell Investment Group

Mr. Jean Freymond  
Director, Dialogues Geneva (D@G)

Mrs. Jane Russell  
Philanthropist

Mr. Cornelio Sommaruga  
Former President, International  
Committee of the Red Cross

The Honorable John C. Whitehead  
Chairman Emeritus,  
International Rescue Committee

Mrs. Sadako Ogata  
Director, Japan International Cooperation  
Agency; Former United Nations  
High Commissioner for Refugees

Mr. Robert Zoellick  
President, World Bank Group

Mr. John Imle Jr.  
Non-executive Director, International Oil and  
Gas Technology, Ltd and Independent Energy  
Advisor

Amb. John J. Maresca  
President, BHF Association

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*BHF USA Board:*

Mr. Edward W. Norton  
Attorney, Chair

Mr. Terrence Ryan  
Former President, Chamber of  
Commerce, Fort Worth, Texas

Dr. Craig Llewellyn  
Professor and Director,  
Center for Disaster and Humanitarian  
Assistance Medicine, Uniformed Services  
University Medical School

Mr. Charles Hoyt  
Former Associate General Counsel,  
Mobil Oil Corporation

Amb. John J. Maresca  
(ex officio)

## *BHF International Board of Advisors:*

Mme. Maria Livanos Cattai (Chair)  
Former Secretary General,  
International Chamber of Commerce

Mr. Niels Christensen  
Vice-president, Nestlé S.A.

Mr. Victor Dial  
Former President, Board of Governors  
American Hospital of Paris

Ms. Christine Batruch  
Vice President,  
Corporate Responsibility  
Lundin Petroleum AB

Mr. Thomas F. Maxey  
Former Vice Chairman,  
N.W. Ayer

Mr. John Imle Jr.  
Non-executive Director, International Oil  
and Gas Technology, Ltd and Independent  
Energy Advisor

Maitre Marc Joory  
Legal Counsel

Mr. Robin Aram  
Director, European Council on Corporate  
Responsibility and Sustainability,  
Conference Board Europe

The Honorable Thomas M.T. Niles  
Vice Chairman, U.S. Council for  
International Business

Ambassador Mohamed Sahnoun  
Special Representative of the  
UN Secretary General

Mr. Daniel Biedermann  
Former Director, Swiss Red Cross

Dr. Flavio Del Ponte  
Chief Medical Advisor  
Swiss Agency for Development and  
Cooperation

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## *BHF Association Council:*

Amb. John J. Maresca  
President

Mr. Jean Freymond  
Executive Director

Mr. John H. King  
Treasurer

Mr. Roberto Dotta  
Deputy Director (ex officio)

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## *BHF STAFF:*

Mr. John H. King  
Director

Mr. Roberto Dotta  
Deputy Director

### Project Managers and Assistants

Ms. Cecilia Serin

Ms. Raksha Vasudeva

Mr. Ruwan Samaranayake

Ms. Ana Aseeva

Ms. Javkhlan Bayarsaikhan

### IT Consultant

Mr. Le C. Gong

- ACCENTUS Foundation (HIV/AIDS- Prevention Fund)
- Afghan Investment Support Agency (AISA)
- Afghan National Furniture Company, Kabul
- AngloGold Ashanti
- Baz International Pharmaceutical Company (BIPC), Kabul
- Center for Applied Studies in International Negotiations (CASIN)
- Center for Development and Cooperation (CDC at the Berne University of Applied Sciences)
- Center for Security Studies, Swiss Federal Institute of Technology (ETH), Zurich
- Center for Strategic and International Studies (CSIS)
- Clonmel Healthcare
- Conference Board Europe
- Coca Cola Africa
- Deutsche Investitions- und Entwicklungsgesellschaft (DEG)
- Deutsche Post World Net (DPWN)
- DHL
- Embassy of Bosnia and Herzegovina Berne
- Ethan Allen Inc.
- European Generic medicines Association (EGA)
- Forum Europe / Friends of Europe
- Foundation for Environmental Security and Sustainability (FESS)
- Geneva Center for Security Policy
- 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
- Legatum Center for Development and Entrepreneurship at MIT
- Merck Sharp & Dohme Inc.
- NEPAD Business Group
- Nestlé SA

- OECD
- OSCE
- Pfizer Inc.
- Rio Tinto PLC
- Shell International Ltd.
- Swiss Agency for Development and Cooperation (SDC)
- Swiss Department of Foreign Affairs (FDFA)
- Swiss Federal Office for the Environment (FOEN)
- Swiss Organization for Facilitating Investments (SOFI)
- Stockholm International Peace Research Institute (SIPRI)
- Swiss Red Cross
- Swiss Import Promotion Programme (SIPPO)
- The Evian Group @ IMD
- The Russell Family Foundation
- Transparency International (Swiss Chapter)
- U.S. Council for International Business (USCIB)
- U.S. Institute of Peace
- UN Economic and Social Commission for Western Asia (ESCWA)
- UN Environment Programme Finance Initiative (UNEP FI)
- UN Global Compact
- UN Offices in Geneva (UNOG)
- UN University for Peace
- UNDP Baku
- UNDP Kabul
- UNDP Kosovo
- UNDP Kuwait
- UNDP New York
- UNDP Sarajevo
- UNDP Iraq
- UNHCR
- UNITAR
- UN-mandated University for Peace (UPEACE)
- Unocal
- UPEACE Center for Executive and Professional Education
- USAID
- World Health Organization (WHO)
- World Bank
- The Whitehead Foundation

## BALANCE SHEET

At 31 December  
(In Swiss Francs)

	2011	2010
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	891,929	990,690
Receivables	19,045	28,781
Prepaid Expenses and Deposits	9,546	10,531
	<u>920,520</u>	<u>1,030,002</u>
<b>FIXED ASSETS - AT COST</b>	92,874	92,874
Accumulated Depreciation	(92,874)	(92,874)
	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>920,520</u>	<u>1,030,002</u>
<b>LIABILITIES &amp; RESERVES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	7,221	6,377
<b>DEFERRED DONATIONS</b>	827,387	947,387
Total Liabilities	<u>834,608</u>	<u>953,764</u>
<b>RESERVES</b>		
Reserves - Opening	76,238	84,293
Excess (Deficiency) of Revenues over Expenses	9,674	(8,055)
Reserves - Ending	<u>85,912</u>	<u>76,238</u>
<b>TOTAL LIABILITIES &amp; RESERVES</b>	<u>920,520</u>	<u>1,030,002</u>

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
The Business Humanitarian Forum Association  
Geneva, Switzerland**

I have audited the accompanying balance sheet of The Business Humanitarian Forum Association, a Swiss association, as of December 31, 2011 and the related statement of revenue and expense for the year ended December 31, 2011. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit, which was conducted in accordance with generally accepted auditing standards.

I recommend that the financial statements submitted to the Board of Directors be approved.

In my opinion the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of The Business Humanitarian Forum Association as of December 31, 2011 and the results of its operations for the year ended December 31, 2011 in conformity with generally accepted accounting principles in Switzerland.



Peter Osterman  
Chartered Accountant

July 16<sup>th</sup> 2012

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### Management Notes:

1. The 2010-2011 bi-annual financial statements and the auditor's report were approved by the BHF Association Council on July 27, 2012.
2. Additional financial information as well as the auditor's notes are available upon request.

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