

LESSONS LEARNED



S O U T H A S I A
**EARTHQUAKE
RELIEF FUND**

ACKNOWLEDGMENTS

The South Asia Earthquake Relief Fund (SAERF) is extremely grateful to all the staff members from the private sector, the government, and the nonprofits that made this initiative a success. Special thanks to the following individuals for their participation and input on this report:

Deanna Siegel Senior, *SAERF*

Bruce Matthews, *SAERF*

Douglas Allen, *Thelen Reid Brown Raysman & Steiner LLP*

Joseph M. Cahalan, *Xerox*

Bernie Collins, *UPS*

Michael Conway, *Citi*

Robert L. Corcoran, *GE*

Michael Engstrom, *formerly of Bechtel*

Elizabeth Fogarty, *Citi*

Lisa Foster, *Pfizer*

BJ Goergen, *formerly of the U.S. State Department*

James Hilboldt, *Pfizer*

Eduardo Martinez, *UPS*

Alan Okada, *Citi*

Nazim Riaz, *formerly of Bechtel*

Mark Ward, *USAID*



PREFACE

For the past three years, the Committee Encouraging Corporate Philanthropy (CECP) has partnered proudly in the planning and implementation of a unique collaborative initiative: the South Asia Earthquake Relief Fund (SAERF). With SAERF's conclusion, we are excited to share what we see as its major accomplishments and the process we used to target these achievements—assisting in the relief and reconstruction of the earthquake-affected region of Pakistan and developing strong and effective cross-sector partnerships.

CECP has been lucky enough to work with a team of corporate, government, and nonprofit staff members throughout this effort—and SAERF's accomplishments would not have been possible without their motivation and commitment. This includes the genuine and constant support from SAERF's five founding business leaders, along with their dedicated staff and other pro bono service providers who were willing to share their time, expertise, and knowledge.

Our hope is that SAERF can be referenced as one successful example and that it can be used by similar public-private and collaborative initiatives working to address humanitarian issues—whether such initiatives are focused on disaster response or other development concerns. Having considered SAERF's structure and approach as outlined in this Lessons Learned report, other initiatives might be able to achieve quicker start-up time; anticipate, avoid, and address specific challenges; and make informed decisions on how best to allocate pooled resources. There may be challenges to SAERF's replication, however we believe that new initiatives can find relevant lessons and ideas to help navigate their own launches and operations as well as harness multiple sectors' expertise for maximum success in meeting domestic and global humanitarian needs.



Cari Hills
SAERF Executive Director



Avigail Ziv
SAERF Fund Manager





TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INCEPTION OF THE FUND	2
EARTHQUAKE AFTERMATH AND SAERF'S FOCUS	3
SAERF GOALS AND OBJECTIVES	5
STRATEGIES AND ACTIVITIES	7
1. Collaboration	
2. Business Leader Engagement	
3. Implementation Considerations: Structure and Operations	
4. Leveraging NGO Knowledge and Partnership	
5. Rigorous Monitoring	
6. Communications	
ROLES AND RESPONSIBILITIES	19
Staffing	
Outsourcing	
Administrative Costs	
REPLICABILITY	21
CONCLUSION	23
APPENDIX	
A: Deloitte Monitoring Dashboard	25

EXECUTIVE SUMMARY

Shortly after a 7.6-magnitude earthquake struck the mountains of South Asia on October 8, 2005, American President George W. Bush, at the direction of Under Secretary of State Karen Hughes, called upon a group of CEOs from the private sector to raise awareness and funds for recovery from this devastating event. These CEOs then created the South Asia Earthquake Relief Fund: a cross-sector collaborative initiative established to address the relief and reconstruction needs following this widespread disaster.

For nearly three years, SAERF has evolved to provide solutions to planning, organizing, and executing an initiative of this kind.

This Lessons Learned report is designed to share the knowledge SAERF has gained, highlights of which include:

- How to encourage collaboration and to best meet fundraising and programmatic goals.
- How to engage business leaders, galvanizing support from their industries, peers, and employees.
- How to plan for the long term and put processes in place to thwart challenges and delays.
- How to establish a rigorous plan for grantee-monitoring and accountability.
- How to communicate broadly and effectively using a variety of media tools and outlets.
- How to establish partners with on-the-ground knowledge, including both government agencies and nongovernmental organizations (NGOs).

As the roster of respondents to international development issues and disaster response expands to include, in addition to governments and multi-lateral agencies, corporations and smaller nonprofits, it will become increasingly important to establish a collaborative approach that coordinates funding, improves programmatic impact, and avoids the duplication of efforts.

To reduce implementation times, the administrators of future initiatives might consider:

- Identifying specific areas in which collaborative partners can add value prior to embarkation.
- Engaging business leaders as examples and motivators.
- Creating a fund structure that will allow for cooperation and organic flexibility.
- Being realistic about goals, impacts, commitments, and timeframes.

In short: An initiative's success relies on the **spirit, willing collaboration, and commitment** of its business leaders, of individuals working on the ground, and of seconded employees and pro bono service providers. Such joint dedication—in addition to that of designated CECF staff members—was undoubtedly behind SAERF's influence and strength in approaching its own goal: providing relief, reconstruction aid, and hope to the thousands of survivors affected by the earthquake that struck South Asia.

INCEPTION OF THE FUND

The South Asia earthquake of 2005 brought massive destruction to areas of Afghanistan, India, and Pakistan. Hardest-hit was Pakistan's mountainous region, where approximately 74,000 people were killed, over 70,000 injured, and as many as 3 million left homeless. A harsh winter and vast economic and psychological debilitation compounded the tragedy's consequences. Responding appropriately to a disaster of this scale required a global humanitarian reaction of commensurate proportion—an overwhelming yet imperative task.

President Bush took an almost immediate and unprecedented step in asking the private sector for its help in raising American awareness of the earthquake and encouraging donations. Specifically, to galvanize support and fundraising, he called upon five global industry leaders in finance, transportation, pharmaceuticals, manufacturing, and technology: **Jeffrey R. Immelt**, Chairman and CEO of General Electric; **James P. Kelly**, former Chairman and CEO of United Parcel Service; **Henry A. McKinnell, Jr., Ph.D.**, Chairman and CEO of Pfizer (now retired); **Anne M. Mulcahy**, Chairman and CEO of Xerox; and **Sanford I. Weill**, Chairman of Citigroup (now Chairman Emeritus). And to centralize this effort, these CEOs tapped CECF to oversee the creation and management of a specific fund—the South Asia Earthquake Relief Fund.

The CEOs' call for action was just one factor that encouraged a generous response from the private sector. Many companies were already committed to global disaster response and had existing relationships with NGOs or other organizations with which they could partner to donate goods and target funds. In all, the private sector contributed more than \$116 million in cash and in-kind donations for relief and reconstruction of the earthquake-affected region. For its own part, SAERF collected nearly \$20 million earmarked for delivery of relief and rehabilitation.

On August 31, 2008, SAERF's operations were concluded: funds were completely disbursed, accounts closed, and grantee-monitoring ceased—but only after the Fund had achieved its goal of providing extensive relief and reconstruction to some of the remotest communities in Pakistan affected by the quake.

“SAERF has been a successful collaboration among the administration, our **colleagues in business**, and individual Americans. We provided relief to thousands of people who have suffered incredible loss and who may not have **survived** without our help. The response to the earthquake in South Asia demonstrates that the business community can and will **make a big difference** in the lives of people touched by tragedy. Working together, we raised more than \$116 million for rebuilding homes, schools, and hope.”

—**Jeffrey R. Immelt**, *Chairman and CEO, GE*

EARTHQUAKE AFTERMATH AND SAERF'S FOCUS

The quake's most severe destruction was near its epicenter, in the Pakistani provinces of Azad Jammu Kashmir and the bordering North West Frontier Province. Nearly 90% of the buildings in Azad Jammu Kashmir were destroyed; a large percentage of those were schools and health facilities. This area of Pakistan is known for its beautiful scenic mountains and river valley—a landscape that also presented serious challenges for immediate relief, sustained service delivery, and construction. Following the quake, many roads were blocked with debris, making access to remote villages difficult. And the area remains highly vulnerable to monsoons and landslides—factors that must also be kept in mind when designing and constructing new buildings there.

Pakistan was willing to accept aid and international support for relief and reconstruction. However, for a variety of political and social reasons, countries will sometimes decline international assistance, even following great disasters. Any initiative must be sensitive to this context when considering a role in international disaster response or other humanitarian issues.

Relief And Reconstruction

While SAERF was not obligated to follow the directions of donors, it did allow donors to designate gifts, if they so chose, as preferably restricted to either relief or reconstruction.

IMMEDIATE RELIEF

With harsh winter months approaching, the primary concern following the earthquake was for the immediate needs of its survivors: temporary shelter, food, medical care, and support services. SAERF responded and

within one month had set up the fund, raised money, and awarded \$4.5 million in grants to five nonprofit organizations who provided beneficiaries in even the most difficult-to-access areas with winterized shelter, critical food and medical supplies, medical care, and counseling.

LONG-TERM RECONSTRUCTION

SAERF also focused on providing medium- and long-term support for earthquake-related reconstruction. In 2006, to align with the Government of Pakistan's pledge to "build back better," SAERF followed its immediate-relief funding with nearly \$16 million in additional grants designated for reconstruction and rehabilitation programming, as well as a portion of the funding for the operations and maintenance of SAERF-funded facilities. These grants were designed to rebuild destroyed facilities and support programs that addressed the social needs of the communities. Two of SAERF's business leaders traveled to Pakistan with members of the U.S. State Department to meet with local NGOs, government representatives, and leaders to assess needs in the devastated region. Their observations informed SAERF's decision to focus its efforts on the health and education sectors, assigning funds to the building of health centers, schools, and water supply systems along with complementary programs that would improve health, wellbeing, and education.

As a follow-up to the CEOs' visit, SAERF's executive director and the president of the GE Foundation also visited the region to define in more detail the requirements for each new facility being built. The information they gathered from this trip helped SAERF gain a better understanding of community dynamics, specific architectural needs, governmental requirements, and challenges with respect to reconstruction.



SAERF GOALS AND OBJECTIVES

1. Increase awareness about the earthquake and raise capital for relief and reconstruction from the U.S. corporate sector in response to the earthquake in Pakistan.

- Collect a minimum of \$100 million from the private sector, such funds to be directed both through SAERF and directly to NGOs/nonprofits as part of the overall effort.
- Communicate with a broad base of private-sector leaders and employees to encourage their participation and support of SAERF.
- Create visibility of the earthquake and its destruction through a website and public service announcements (PSAs).

2. Create a fund that is managed like a business and that takes other expertise into account, allowing for informed decision-making.

- Collaborate with various partners including the U.S. government, the Pakistani government, the U.S. Agency for International Development (USAID), NGOs, and corporate partners to achieve an efficient initiative.
- Identify the needs of various partner constituents and incorporate these into the Fund's operations.
- Identify and outsource tasks where needed.
- Gain buy-in and support on decisions from all constituents throughout the process.

3. Provide immediate relief to the earthquake-affected region of Pakistan, followed by longer-term reconstruction projects focused on health and education.

- Award relief grants to NGOs within one month of the Fund's inception, focusing on relief services to the earthquake survivors.
- Focus on critical long-term reconstruction by rebuilding schools and health facilities in even the remotest earthquake-affected regions with grants to both international and locally based NGOs.
- Improve the health and education capacity of the earthquake-affected communities through grants focused on rehabilitation programming.
- Institute a fair selection process for grant-making.

4. Strengthen ties between the Pakistani government and the U.S. private sector.

- Brand the Fund such that it fosters a positive and productive relationship between the two countries.
- Meet with government officials and Pakistani representatives to discuss and inform the initiative.
- Include Pakistani representatives as a core part of the initiative.



STRATEGIES AND ACTIVITIES

1. COLLABORATION

SAERF embraced a two-pronged approach to collaboration among corporations: both within and across sectors. SAERF also sought advice and lessons learned from key administrators of the President George H.W. Bush and President William J. Clinton Hurricane Katrina Fund.

CORPORATE COLLABORATION

As the prospect of a large-scale corporate philanthropy effort, SAERF presented five leading corporations and other companies a chance to collaborate and pool corporate funds to maximize targeted impacts on a major humanitarian project.

One aspect of the corporate collaboration was pro bono service contributions. Employees from each of the five founding companies and many other corporate partners provided SAERF with pro bono services including legal counsel, audit services, communications, grantee-monitoring assistance, and project management. Before embarking on these partnerships, SAERF and its partners planned as to how and where these services could best add value to the initiative and outlined clear objectives, roles, and expectations that were then formalized in writing.

Moving forward, these relationships required sustained communication and time commitments from both SAERF and its pro bono partners. The collaboration united expertise from various industries to inform and strengthen the initiative. This unification widened SAERF's contact pool, in turn facilitating the gathering

of information, providing networking opportunities among business leaders and government officials, and increasing confidence and loyalty in employees eager to act as good corporate citizens.

Still, this kind of collaborative approach does raise some challenges. For example: conflicting visions must be negotiated and balanced; reaching a consensus through collaborative decision-making sometimes requires a lengthy period of time; CEO time is limited; and corporations must be comfortable with sharing recognition and project-related branding. SAERF's partial solution to these prospective problems was to limit the number of ultimate decision-makers to a small group of sensitive yet unbiased individuals and to be clear about the initiative's commitment, vision, and branding from the start.

“Corporations have many responsibilities: to their employees, to their customers, to their shareholders, and to the communities where they do business. They also have **global responsibilities**. The Pakistan relief effort has been a rewarding experience and has brought together **five corporations** who in turn have **reached out** to the corporate community for assistance in this important effort. And with the government's involvement, this has been an ideal public-private partnership.”

—James P. Kelly, *former Chairman and CEO, UPS*



CROSS-SECTOR COLLABORATION

SAERF sought to complement private-sector know-how with the skills of government entities and nonprofit organizations. Each of these sectors contributed expertise to the Fund as follows:

- **Corporations and the private sector** brought their CEOs' leadership; a cache and respect from governments and industries overseas; expertise in corporate grant-making, communications, operational skills, and staff support; and connections to corporate dollars.
- **Government entities** (e.g., USAID, the U.S. State Department, and the National Security Council) brought on-the-ground expertise and knowledge of the affected region to inform investments and grants, an ability to vet select grantees according to U.S. requirements and legislation (e.g., the U.S. Patriot Act), and a clear mandate to launch and promote the Fund.
- **Nonprofits** provided two sets of skills: Nonprofit grantees brought additional on-the-ground knowledge and were intermediaries to implement and execute SAERF's goals for relief and reconstruction. And as Fund administrator, CECF brought project and management leadership, monitoring capabilities, a reputation as a trusted charity to collect and track corporate contributions and grants, and experience in convening small and large groups.

In forming these collaborations, participants established clear roles and responsibilities so that each sector would have realistic expectations and would complement one another rather than duplicate efforts. For example, it was agreed early on that USAID and SAERF would do best to work as parallel forces rather than pool their funds—and yet USAID would continue to play an active role in SAERF's work by communicating advice and observations from the field.

LESSONS LEARNED

- Collaboration across various sectors should be managed creatively, sensitively, and as efficiently as possible. Some keys to success are: defining clear roles, responsibilities, and expectations for each sector; instilling consistent communication channels among partners; using weekly conference calls and monthly in-person meetings; and capitalizing on all participants' commitment and unity of purpose.
- Collaboration among corporations not only strengthens an initiative's potential achievement of program goals, it also promotes positive corporate reputations among the public.
- Collaboration efficiency can be improved by first identifying challenges, gathering individual ideas, and then making proposals and being receptive to feedback before moving ahead.

STRATEGIES AND ACTIVITIES

2. BUSINESS LEADER ENGAGEMENT

STRATEGIC OPPORTUNITIES

SAERF's five leading CEOs accepted the challenge of establishing a relief fund not only because of the clear need for one, but also to demonstrate their support of U.S. foreign policy through a strategic private-sector philanthropic effort. This effort also proved a strategic networking opportunity for the CEOs. To execute the Fund successfully, the CEOs had to maintain consistent engagement with one another, with the government, with their own dedicated staff, and with CECP—particularly during the initiative's nascent stages, when it was crucial to establish priorities, attract visibility, and solicit contributions.

The five business leaders also remained in close communication with key U.S. and Pakistani governmental contacts. Such direct channels helped to communicate regularly updated information on relief needs and to identify reconstruction opportunities. The business leaders were able to ascertain the Pakistani government's priorities and, accordingly, to adjust SAERF's framework into one that would complement the Pakistani approach.

MOBILIZATION

To cultivate long-term participation from the CEOs involved, SAERF took its cues from an advisory committee that included the five private-sector CEOs, the administrator of USAID as an ex-officio position, and a high-level representative from the Pakistani community. This advisory committee set the overall direction of the Fund, approved grant awards, and commented on SAERF's progress—while also evolving to allow the Fund's administrators more freedom and authority in making related decisions independently.

In SAERF's incipience, the five key CEOs established weekly conference calls to facilitate decision-making and communication. Such calls discussed fundraising priorities, targets, contacts, resources, and communication strategies. Each conference call had a minimum

attendance of four out of five CEOs and was organized and moderated by CECP, which also facilitated any necessary follow-up and duty-delegation. The calls were limited to 30 minutes and focused on 1) decision-making and review of accomplishments from the previous call; 2) presentation of open items; 3) CEO questions; 4) an on-the-ground status report; and, 5) expectations for the next call.

Business-leader involvement also added to building awareness and collecting contributions for the earthquake and the SAERF initiative—capitalizing on their role as leaders in the corporate community and the respect they have within their industries and among their peers and employees. And while the five founding companies contributed the majority of SAERF's funding, they also did much more than that: they were key in soliciting contributions from other members of the private sector, encouraging them either to donate in-kind or cash contributions directly to the Fund or to organizations with whom they already had relationships. Moreover, the CEOs' commitment motivated their own companies' employees to dedicate themselves to the effort in part because they were accountable to their CEOs.

“SAERF has been such a **rewarding collaboration**. The magnitude of this disaster was such that we all believed the private sector could and should play a role in **raising awareness** and funds for relief and reconstruction. Each of our companies gave significantly to the effort yet by working together we were able to have a much **greater impact** on helping rebuild the lives of those who lost so much.”

—Sanford I. Weill, *Chairman Emeritus, Citigroup*



LESSONS LEARNED

- Business-leader engagement, particularly at the start, galvanizes support for an initiative and drives its framework and focus.
- Determine participation opportunities for business leaders and discuss these clearly with these leaders to help gain their buy-in and active involvement.
- Business leaders are pulled in many directions. Be realistic about the level and type of engagement they can maintain and make adjustments over time.

STRATEGIES AND ACTIVITIES

3. IMPLEMENTATION CONSIDERATIONS: STRUCTURE AND OPERATIONS

NONPROFIT ADMINISTRATION

The five companies originally tapped by President Bush initially investigated the possibility of creating a new nonprofit entity to administer the Fund. What they learned is that even the highest-level employees at the U.S. Treasury Department and Internal Revenue Service could not enable the creation of a brand-new nonprofit in less than three-to-six months. Therefore, SAERF looked to other, already-established nonprofits that would be able to fill this role and identified the Committee Encouraging Corporate Philanthropy as a potential partner. CECF is a 501(c)(3) and the only international forum of business CEOs and chairpersons pursuing a mission focused exclusively on corporate philanthropy. Given both its legal classification and broad mission, CECF officially qualified as an appropriate partner to assist with the Fund's administration, fundraising, and management.

“I saw firsthand the devastation wrought by the earthquake. The human loss and suffering was as impossible for me to describe as it was for the rest of the world to comprehend. I also saw the role that corporate America could play in helping the earthquake victims not only survive but also begin **rebuilding their communities**. The result was an outpouring of support from American businesses that brought **new hope** and **new life** to the millions of people impacted by this natural disaster.”

—Anne M. Mulcahy, *Chairman and CEO, Xerox*

MISSION ALIGNMENT

Before agreeing to assist in the administration of SAERF, CECF was obliged to determine whether SAERF's goals and activities fell within the boundaries of CECF's own approved nonprofit mission. This is a serious consideration for any nonprofit contemplating a partnership of any kind. Mission alignment is required for a nonprofit's assumption of the administration, fundraising, and disbursement of the funds of a new enterprise like SAERF.

LEGAL CONSULTATIONS

For any nonprofit taking on this kind of project, consultation with legal advisors is essential. Legal counsel will influence a number of considerations, including:

- **Mission Alignment:** Determine if the initiative's goals match with the nonprofit's mission.
- **By-Laws and Agreements:** Resolve which legal structures, if any, must be put in place to ensure that the nonprofit and its board members are protected from any liability. This may include the creation and board-authorization of new by-laws regarding the initiative, the purchase of liability-related insurance, and/or the establishment of written agreements between grantees and pro bono partners.
- **Committee Formation:** It may be appropriate to create specific committees—like SAERF's advisory committee, discussed earlier—that might include members of the nonprofit's board and business leaders. These committees would then have approval over grants and changes to the initiative.
- **Scope of Commitment:** Resolve questions including: How long and involved must the nonprofit's commitment be? and Is there a minimum time frame for its administration?



AREAS OF POTENTIAL SCRUTINY

As part of its initial implementation strategy, SAERF also identified areas in which it might be vulnerable to negative scrutiny and strategized to strengthen the Fund's operations accordingly. For example:

- The Fund decided early on to allocate up to \$5 million to immediate earthquake-relief efforts and all remaining donations to mid-to-long-term reconstruction. This was a conscious decision made predominantly to address the varied needs of the disaster but also to avoid any claims that SAERF was “holding onto money.”
- SAERF limited the number of NGOs it would fund in order to be genuinely helpful to a select group of beneficiaries and to preclude any criticism that resources were being spread too thinly.
- The Fund outlined and followed a thorough approval process for the selection of its NGO beneficiaries in order to maximize the value of its disbursements and avoid perception of unfair NGO selection.
- Corporations assumed responsibility for 100% of SAERF's overhead administrative costs to guarantee that all donated money would go directly toward helping the earthquake-affected.

FLEXIBILITY

Flexibility also proved a critical quality of the Fund's structure—to account for unplanned project delays, competition in an unstable country, and any other, unforeseen challenges. For example, in its construction projects, SAERF soon found that as the price of materials in Pakistan skyrocketed and the number of qualified contractors fell, the number of facilities the Fund could build and operate dropped as well. Adaptability to the natural rhythms of supply-and-demand is an essential aspect of any disaster-planning initiative.

LESSONS LEARNED

- Establish a framework and identify possible areas for scrutiny early on. Put processes and structures in place to address potential pitfalls.
- If the initiative is administered under an existing nonprofit, consult with legal advisors to resolve any liability issues.
- Plan long-term. Projects may encounter delays and challenges that take longer than expected to address and costs can change and shift in the initial days following a disaster. This is especially relevant in unstable environments.

STRATEGIES AND ACTIVITIES

4. LEVERAGING NGO KNOWLEDGE AND PARTNERSHIP

ON-THE-GROUND KNOWLEDGE

Community-based organizations and international NGOs became valuable resources to SAERF as it evolved. Representatives of these organizations are often first on-the-scene when a disaster occurs and therefore have access to essential and accurate information about the situation. Working directly with these organizations informed SAERF's understanding of the complex social and cultural context of the affected area and its needs.

POOLED-FUND BENEFITS

In turn, SAERF's structure as a pooled fund maximized the NGOs' capacity for meeting SAERF's goals and achieving its vision. A large, pooled grant allocated to select NGOs (as opposed to smaller grants with scattershot allocation) afforded the NGOs a broader focus as well as enhanced efficacy and impact. It also improved the NGOs' field-staff efficiency by cutting down on their reporting requirements—SAERF required just one regularly issued progress report that could then be disseminated to its donor base.

SELECTING NGO PARTNERS

NGOs and community-based organizations vary greatly in their approaches and philosophies. Therefore, it's important to identify the precise kind of organization that will complement the initiative's goals before awarding any grants or pursuing a partnership. For example, with respect to disaster response: Some NGOs specialize only in emergency relief, while others have a long-term development orientation. And some NGOs support the work of local organizations, while others do not. In general, organizations that have an

ongoing community presence, a local staff, and a commitment to participatory development are often better positioned to respond to all phases of relief and reconstruction. Attempting to apply an NGO to a project outside its area of expertise—e.g., asking a health-oriented organization to focus on education-related programs—can be a waste of resources.

SAERF also looked beyond international NGOs to umbrella organizations and smaller Pakistani-based organizations to carry out the second phase of its efforts: longer-term reconstruction in the devastated region. In all cases, each partner or NGO awarded a grant was carefully vetted by SAERF and USAID. Only the very best-rated, transparently operated, and Patriot Act-compliant organizations qualified.

“SAERF offered the opportunity to demonstrate how **effective** the private sector—working through groups like CECP, The Business Roundtable and the Business Council—can be when working side by side with the U.S. government for global disaster relief. Each company involved brought **tremendous value and resources** to bear in making this corporate collaboration work for the good of a nation in need. We are privileged to have been part of this unique collaboration.”

—Henry A. McKinnell, *former Chairman and CEO, Pfizer*



LESSONS LEARNED

- Capitalize on knowledge and on-the-ground evaluations from international NGOs and local community-based organizations to identify needs and navigate complex political and social contexts.
- Identify and partner with NGOs that align with the interests and focus of the initiative, looking at locally based organizations as well as international NGOs. Vet all prospective partners carefully and thoroughly.
- Pooled, larger grants can be more effective and efficient than disparate, smaller ones in enabling NGOs to implement strategies and achieve goals.

STRATEGIES AND ACTIVITIES

5. RIGOROUS MONITORING

Monitoring and reporting on the performance and spending of grantees became one of SAERF's central foci—a focus strongly advised by USAID and the Fund's corporate leaders. But monitoring the use of internationally made grants earmarked for aid in a politically unstable country with severe weather and treacherous terrain proved extremely difficult. Accordingly, SAERF created protocols (some developed jointly with pro bono partners) to evaluate the grantee programs' progress toward accomplishing their goals within the designated timeframes.

ON-THE-GROUND MONITORING

SAERF received pro bono services from Bechtel Group, Inc., a global leader in construction and engineering projects, for on-the-ground monitoring of the SAERF-funded facilities' construction. SAERF maintained verbal or email contact regularly (at least twice monthly) with this local presence to monitor construction progress. SAERF also received monthly written updates and trip reports. The monitor responsible for this evaluation and communication was an official representative of SAERF and had a formal contract signed with Bechtel—a contract reviewed by legal counsel on both sides to limit liability concerns and achieve mutually agreeable terms.

Other SAERF representatives also conducted personal site visits in Pakistan to assess the work being done, to participate in inaugural events, and to report back to donors and the sponsoring CEOs. The NGOs working on-site encouraged these visits—which, in addition to tracking progress and ensuring the alignment of visions, helped to cultivate a close, mutually motivating relationship between the Fund and its grantees.

GRANTEE REPORTING

SAERF team members working remotely also required from the Fund's grantees monthly or quarterly reports that included detailed descriptions of accomplishments, progress, and spending, as well as photos of the physical and programmatic work being done.

PROGRAMMATIC MONITORING TOOL

Deloitte Financial Advisory Services, LLP gave pro bono employee time dedicated to developing a monitoring and reporting tool called the Dashboard. This tool (and the reports it generates) helps to track grantee progress and spending to encourage a timely and successful completion of program objectives. (**Appendix A** of this report provides an extensive explanation for the use of Dashboard in other initiatives.)



LESSONS LEARNED

- Make the monitoring of progress a main focus of program administration to ensure proper execution, spending, and long-term sustainability.
- Establish an on-the-ground presence to monitor complex projects and schedule site visits by staff to evaluate goal viability, assist in troubleshooting, and build rapport with grantees.
- Request and evaluate monthly or quarterly reports from grantees to remain up-to-date on progress and challenges, even from afar.

STRATEGIES AND ACTIVITIES

6. COMMUNICATIONS

SAERF adopted a communication strategy directed at the general public, the private sector, and corporate employees. This campaign focused on media outreach, event planning, website operation, branding, advertising, internal company campaigns to solicit employee donations, and donor communications. And the Fund's business leaders became actively involved in spreading the word, as well: they sent letters requesting donations to colleagues in both their own industries and beyond and gave interviews that were broadcast or published in major news media to highlight the need for humanitarian relief and recovery.

MEDIA EVENTS

SAERF's strategic media activities included the creation and launch of a public service announcement distributed to print, television, and radio in the top 50 markets and the dissemination of press releases to premier news agencies. The Fund also organized events to raise awareness about the earthquake and emphasize the need for private-sector involvement, including a press conference held in Washington, D.C., where President Bush announced SAERF's creation and commended its business leaders for their participation. And SAERF's leaders arranged to meet with the Prime Minister of Pakistan as well as with leaders of the business and government sector to promote and evaluate the Fund's needs and goals.

BRANDING AND WEBSITE

SAERF also sought to promote the American-Pakistani joint effort to rebuild the quake-affected areas. Designers created SAERF's logo and branding with this sentiment in mind and, accordingly, incorporated Pakistani and American flags side by side—producing versions in both the English and Urdu languages, to signify the countries' partnership in achieving a shared goal. This logo appears on a plaque in every SAERF-funded facility and was removed or displayed less prominently only when escalating tension between local Pakistanis and foreign aid workers meant that the promotion of American involvement might have jeopardized project security.

“I have been privileged to represent the Pakistani-American community to the South Asia Earthquake Relief Fund. In this role, I have witnessed the **generosity and commitment** of the U.S. private sector to the people of Pakistan. Through collaborations between the private sector and government entities, the Fund has made a **lasting impact** on those who lost their homes and communities in this devastating event. I look forward to seeing collaborations between Pakistan and U.S. corporations continue in the future.”

—**Moeen Qureshi**, *Chairman, Managing Partner, EMP Global, former Prime Minister of Pakistan*



In November 2005, one month after the quake, SAERF launched a website exclusively about the earthquake and the Fund. In the initiative's beginning stages, this website served as a vehicle for private individuals to make online donations and to convey basic, transparent information about SAERF to potential donors. As the initiative grew, the website expanded to include current news updates, donor reports, and photos of SAERF's relief and reconstruction efforts.

EMPLOYEE COMMUNICATIONS

To encourage contributions and raise overall support, communications also targeted employees of the Fund's chief business leaders. These leaders emailed their staffs about SAERF to request contributions and support, often in the form of matching gifts. These employees responded with a range of donation amounts. To maintain a sense of engagement and influence among these donors, SAERF reported back to them and to team members regularly via written reports and e-newsletters updating them on the Fund's grants and progress.

PARTNER COMMUNICATIONS

SAERF also implemented a communication framework among its various partners, working groups, and seconded employees. This involved both in-person meetings and weekly phone calls. The in-person meetings were especially helpful in expediting decision-making, introducing teammates to one another (particularly those from different sectors), and cultivating camaraderie and morale.

LESSONS LEARNED

- Communicate broadly and effectively using a variety of tools and outlets. This includes keeping donors regularly informed throughout the initiative.
- Launch websites and other fundraising tools as quickly as possible to make vehicles available for donations and educate potential donors about the initiative.
- At the initiative's outset, capitalize on press and media coverage to encourage support and donations when the event is naturally at its height of public awareness. Accessing media presence as the initiative progresses can become more difficult.

ROLES AND RESPONSIBILITIES

Staffing

SAERF's initial staff consisted of two seconded employees from the Fund's founding companies and one CECP staff member. Additional employees selected from each participating company brought expertise from a variety of fields. To organize tasks and decision-making, SAERF created teams around these areas of expertise, including a communications team, a grant-making team, and a legal team. These teams operated separately but met twice weekly initially and later scaled back to meeting once weekly in order to share updates and prepare for meetings with the Fund's chief business leaders.

As the initiative progressed, SAERF's scope and participants' responsibilities grew. Eighteen months into the initiative, to address this growth, SAERF hired a full-time fund manager to manage the Fund's day-to-day operations, donor and grantee communications, and the monitoring of grant projects.

Outsourcing

While the five chiefly involved companies and CECP covered a wide range of skills and expertise, some tasks were necessarily outsourced to other companies. This included processing the back-end of received funds, executing disbursements to the SAERF grantees, creating and launching the SAERF website, and auditing. Time-consuming and labor-intensive, these tasks were better performed by reputable companies specializing in the skills to complete them efficiently—especially given the time-sensitive nature of the Fund's goals.

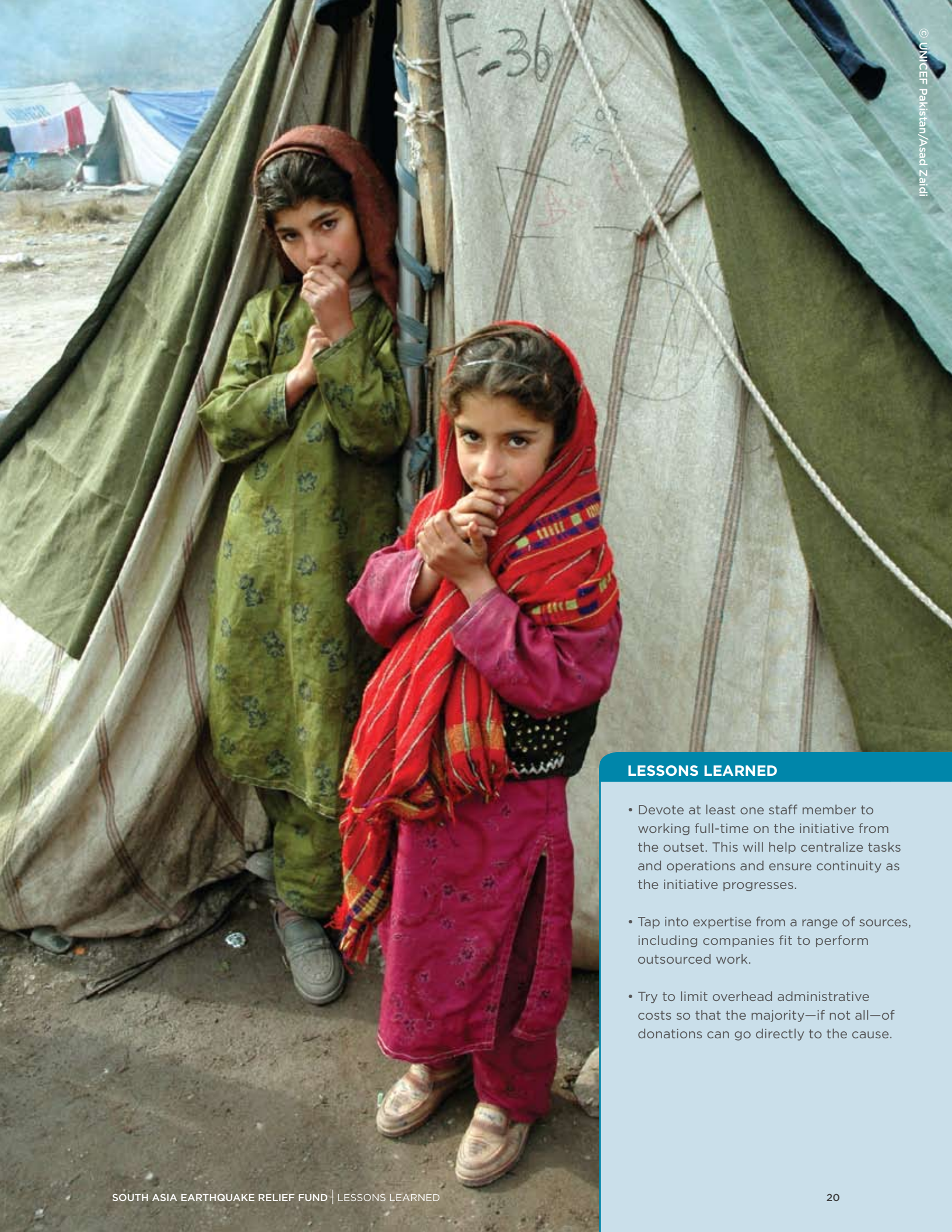
Administrative Costs

Recognizing the need for accountability and transparency, the five chief business leaders involved in the initiative agreed that their companies would bear all of the Fund's administrative costs. This meant that 100% of donations could go to the awarded grants.

Once the Fund had collected the majority of its donations and made its initial intended relief grants, it moved all remaining funds to an interest-bearing account to await further disbursement. The interest earned over time later contributed to an additional grant award.

“The South Asia Earthquake Relief Fund has been an **example of public-private partnerships** at its best. SAERF combined the **expertise and resources** of the business sector, government agencies, and civil society to address the critical short- and long-term needs of the Pakistani communities effectively and efficiently. We have been **proud to play a role** in this initiative and look forward to future collaboration with the private sector to **accomplish the development goals** we have before us.”

—**Henrietta H. Fore**, Administrator, U.S. Agency for International Development, and Director of United States Foreign Assistance



LESSONS LEARNED

- Devote at least one staff member to working full-time on the initiative from the outset. This will help centralize tasks and operations and ensure continuity as the initiative progresses.
- Tap into expertise from a range of sources, including companies fit to perform outsourced work.
- Try to limit overhead administrative costs so that the majority—if not all—of donations can go directly to the cause.

REPLICABILITY

There is potential to use SAERF as a model for similar initiatives working to address global humanitarian issues—whether related to disaster response or other developmental concerns. Using this model can effect a quicker start-up time and reduce preliminary challenges.

In moving forward, initiative-planners might benefit from replicating SAERF's composition in the following specific areas:

- SAERF's **collaborative approach**, which tapped into a range of expertise and skills applicable to the broader needs of an initiative and its programming.
- SAERF's **structure**, which helped protect related companies, stakeholders, and CECP from unfair and negative scrutiny.
- SAERF's multi-faceted **monitoring and reporting strategies**.
- SAERF's **communications campaign**.

And prior even to embarking on such an initiative, a CEO or other chief strategist must ask the following:

- What is the goal of this initiative? Is it filling a gap in public response to a major crisis on a domestic or international level?
- How will involvement in this initiative complement my company's existing philanthropic approach?
- If the initiative requires partnership with other companies, which prospective partners will be comfortable with collective recognition—and how can we manage and sustain this positive collaborative sentiment?
- What is the expected time commitment for the CEO(s) and staff involved?

FUNDRAISING

Fundraising may be the most difficult-to-replicate aspect of the SAERF model. SAERF's CEOs solicited donations from peer CEOs and employees based on individual personal relationships. While CEOs comprise a network renowned for its generosity, they must also maintain a careful balancing act, taking into account their shareholders' interests and their companies' primary philanthropic efforts. These considerations can sometimes deter them from contributing to an initiative's resources, especially if the proposed initiative is of similar nature to another commitment already made. A partial solution to the CEO-time commitment problem is to rotate the CEOs who lead similar initiatives—and yet this doesn't address the challenge of conflicting fundraising interests. In SAERF's case, a considerable percentage of its contributions came from the five leading CEOs' companies—in-kind goods were donated en masse, and some companies gave directly with longstanding partners in the region rather than to SAERF.

Therefore, while this may be a useful financial model for other initiatives, a new initiative's goals, scope, and needs should of course be taken into account before any such model is applied. Finally, it is important to acknowledge that employees are limited in the personal contributions they can make and that while they are eager to work with companies that are philanthropic and engaged with their communities both locally and globally, too many requests or pressure in this area can create employee-donor fatigue.



CONCLUSION

In response to the South Asia earthquake, SAERF has brought relief to survivors, built schools and health facilities, and improved health and education access and information. The first initiative of its kind, SAERF also sought to change the face of philanthropy by demonstrating that partnerships among the private, public, and nonprofit sectors can succeed in positively addressing even complex and widespread humanitarian crises. The true extent of SAERF's success will be revealed in time, as Pakistan's communities continue to heal and make use of the resources the Fund was able to provide. Meanwhile, SAERF's members and supporters hope their efforts will also give rise to a palpable shift in favor of multi-sector collaboration—and that this report will go some way to serve as a useful guide for other initiatives wishing to leverage a similar approach in future philanthropic endeavors.

FOR MORE INFORMATION ABOUT THE SOUTH ASIA
EARTHQUAKE RELIEF FUND AND ITS RESOURCES,
PLEASE CONTACT:

Cari Hills

Committee Encouraging
Corporate Philanthropy
info@corporatephilanthropy.org



APPENDIX A: DELOITTE MONITORING DASHBOARD

Embracing a collaborative philanthropic approach that spans commercial sectors and international borders, the Committee Encouraging Corporate Philanthropy (CECP) engaged Deloitte Financial Advisory Services LLP (Deloitte FAS) to assist with the monitoring and oversight of funds disbursed to various grantees. As part of its service to CECP, Deloitte FAS developed a Dashboard monitoring tool for the South Asian Earthquake Relief Fund (SAERF) to track and report on grantee spending and the achievement of project goals. The Dashboard is designed to provide a transparent display of grantees' use of funds, cross-referenced against their achievement of the objectives for which they received funding.

Deloitte FAS originally created this tool in the wake of 2005 Asian Tsunami. More than 60 full-time and short-term technical specialists representing seven Deloitte Touche Tohmatsu (DTT) member firms from the U.S., Australia, Canada, India, Indonesia, Singapore, and Thailand donated over 14,000 hours to help advance the United Nation's goal of focused program development and improve the transparency and accountability of funds distribution related to the tsunami relief effort.

Deloitte FAS recognized an opportunity to leverage this experience following the devastating October 2005 earthquake in northern Pakistan. Deloitte FAS approached CECP to explore ways to assist CECP's administration of SAERF and its efforts to provide reconstruction and rehabilitation support to the affected region of Pakistan-Administered Jammu-Kashmir. With SAERF's collaborative structure, engaging Deloitte FAS' experience on a pro bono basis was a natural complement to SAERF's network of executing partners, a combination of diverse skill sets working together toward shared goals.

DASHBOARD OBJECTIVES

As the project progressed, the collaboration efforts between Deloitte FAS and the CECP recognized that the success of the Dashboard's adaptation to SAERF could be shared with other grant-makers, and this measurement tool could be utilized for other projects. The details of the Dashboard contained herein are intended for other members involved in rehabilitation projects that might have the opportunity to adapt this dashboard for future such initiatives.



Gaining access to meaningful, digestible information is a key challenge for fund managers in relief and reconstruction situations worldwide. The key benefit of the Dashboard is that it allows a reviewer to quickly make sense of an otherwise vast and varied set of financial, quantitative, and qualitative information, and can provide a “quick look” at how the grantees are progressing and can pinpoint areas of concern. In regards to SAERF, this proved particularly helpful in the closing months of the grants, as SAERF sought to determine if any portions of the project were lagging behind in terms of achieving targets, or if funds allocated to a particular objective were not being drawn against appropriately and could be reallocated to another cause.

The Dashboard is structured to “roll-up” the relevant financial and objective-related information of each of the SAERF’s grantees to a consolidated level, allowing the reviewer to easily view how the fund is progressing on a summary level, as well as enabling them to drill down to the specifics of a specific grantee or even the relevant details of a specific task.

A key aspect of the Dashboard is its reliance on “SMART” indicators- meaning “Specific, Measurable, Achievable, Realistic, and Timely.” In short, SMART indicators are those that measure progress in a meaningful and tangible way. For example, rather than targeting to “improve access to healthcare” in the earthquake affected regions, SAERF challenged its grantees to be more specific in their objectives, and linked each quantitatively measurable task to a respective portion of their budget. SAERF and Deloitte FAS collaborated closely with the grantees to achieve their buy-in on employing SMART indicators, as well as the Dashboard in general. By the end of the SAERF term, each of the grantees had clearly identified how far they progressed against their technical objectives, and SAERF’s fund manager and stakeholders could use the information to make important programmatic decisions in a results-based manner that significantly contributed to the overall success of SAERF’s relief and reconstruction activities.

Contact CECP to learn more about the dashboard.

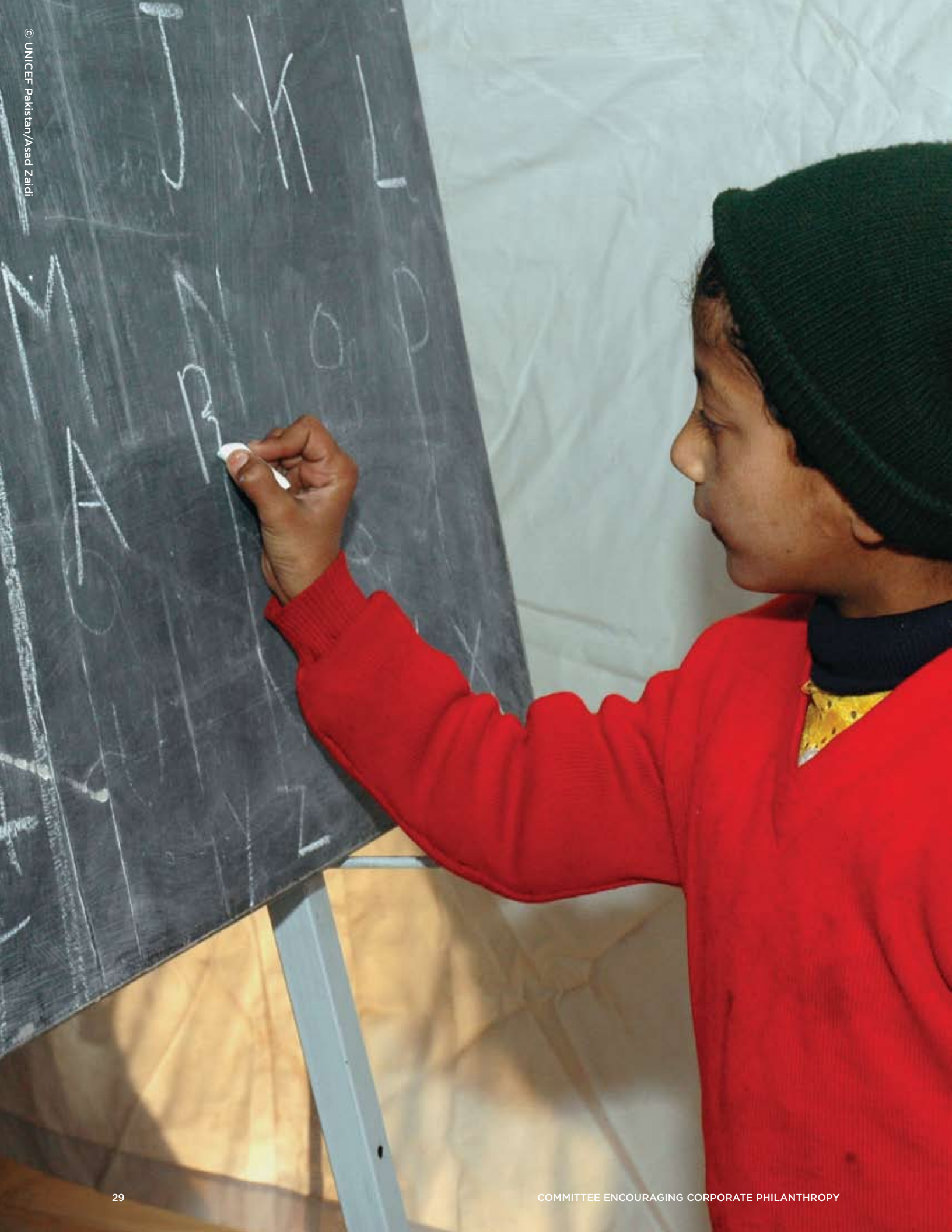
DASHBOARD LESSONS LEARNED

Deloitte FAS and CECF learned a great deal working with the grantees and adapting the Dashboard to the SAERF projects. This experience has yielded immediate results for the SAERF managers, and will continue to do so as the lessons learned can be applied to future CECF endeavors. The following are key takeaways from this process that can benefit future users of this Dashboard tool.

1. **Communicate your objectives clearly.** The grantee should be clear from the beginning in regards to the grant-maker's objectives for monitoring, and should any questions develop, an open channel for discussion and dialogue should exist.
2. **Collaborate with the NGO throughout the process of both implementing and monitoring of the tool.** There are often different expectations and needs from both sides—therefore, constant communication and discussion is essential for effective monitoring and successful program implementation. Further, as a project evolves, it may be necessary to revise the objectives captured in the tool.
3. **Introduce the tool early to grantees.** Ideally, grantees should be familiar with the format of the dashboard prior to submitting their budgets for the original proposal. This will help them to develop targets that are both measurable and against which progress can be tangibly demonstrated. Alternatively, grantees could be given a template immediately after the award of the grant so they can adapt their budget to this tool and avoid complications between differing budget formats.
4. **Utilize “SMART” indicators that can be meaningfully measured.** Excessively detailed indicators can make reporting more complex and cumbersome for the grantee, and can also present difficulties to the grant-maker in tracking the overall performance of the grant. For example: one does not need to track the number of bricks purchased with grant funds—in addition to the number of schools, maintaining the expected quality of construction, the overall budget and the delivery schedule is what matters. A useful guideline is the “SMART” principle for indicators.



5. **Ask the grantee to compile their inputs into the dashboard** (or into a template that is easily transferable into the dashboard). This can help reduce the administrative burden on the grant-maker, especially in the case where there are multiple grantees being tracked on a single initiative.
6. **If there are different programmatic grantees being monitored, a separate Dashboard should be created** (although this could be in the form of separate worksheets in the same document). The separate Dashboards may appear different from one another as there are likely to be different indicators, goals, objectives, etc. for each grantee. An overall view of the program can still be achieved by creating a summary sheet that shows the progress of each grantee across general, high-level metrics.
7. **With programmatic grantees, the Dashboards should be complemented with written reports that can highlight specific issues, tasks completed, challenges, etc.** These complementary reports allow qualitative highlights to be presented rather than the singular focus on quantitative achievements from the Dashboard.
8. **The dashboard should be updated monthly.** This allows the grant-maker to have a consistent overview of program progress, and allows time to address problems with spending or project achievements before they balloon.



The Committee Encouraging Corporate Philanthropy is the only international forum of CEOs and chairpersons pursuing a mission exclusively focused on corporate philanthropy. The Committee's membership consists of 175 executives, leading the business community in raising the level and quality of corporate giving. More information and a current CECP membership list are available at **www.CorporatePhilanthropy.org**.

Front cover and inside front cover photos: © UNICEF Pakistan/Asad Zaidi



Committee Encouraging Corporate Philanthropy
110 Wall Street, Suite 2-1
New York, NY 10005
212.825.1000
CorporatePhilanthropy.org