

The ICRC and partnerships with the private sector: evolution and ethical considerations

Jessica Fleurinor and Caroline Putman Cramer • International Committee of the Red Cross

Jessica Fleurinor and Caroline Putnam Cramer invite us to an extension of the first part of our Focus theme. The International Committee of the Red Cross effectively did not have before the opportunity of presenting its approach to partnerships with the private sector. This is now the case, within a perspective going from the banker Dunant to the presence of the ICRC within the World Economic Forum (WEF) and comprising the Corporate Support Group especially created within the institution.

From its creation in 1863, the International Committee of the Red Cross (ICRC) enjoyed financial support from Geneva banks and individuals, one of the most famous founders of the ICRC, Henry Dunant, being himself a well-established banker. As depicted by ICRC historian Daniel Palmieri in his account on the relationship between the ICRC and the private sector¹, this exclusive network of private supporters expanded from the financial sector to the Swiss industrial circle and beyond from the early 1900s.

More than 150 years of collaboration with the private sector, but a framework formalized only recently

However, there appears to have been no standard approach to seeking funds from private companies until the 1990s, opportunities emanating essentially from personal or professional contacts between eminent Swiss personalities. With the adoption of its *Strategy for the proactive development of the relations between the ICRC and the private sector* in 1999, the ICRC recognized a strong case for engaging with corporations in a more systematic manner. Two motivations underpinned this shift in approach: to promote humanitarian principles with companies operating in war-prone areas and to enhance the ICRC's capacity to help the victims of war, by establishing mutually beneficial strategic partnerships based on clear ethical criteria.

Over the years, the ICRC's engagement with the private sector built on five pillars: adapting to new challenges, dialogue and shared analyses; innovating and creating shared value by collective thinking and developing new products or services; leveraging complementary skills and networks; impacting philanthropy, collaborating with suppliers².

The current resource mobilization strategy (2012-2020) strives to maintain and strengthen ties with traditional donors, hoping they will accompany the institution's growth. At the same time, the ICRC is seeking to obtain funding from other States as well as from other sources including within the private sector. The ICRC needs to diversify its sources of funding in order for the

¹ Daniel Palmieri, "The ICRC and the Private Sector", International Committee of the Red Cross, 2016, Available from <http://doczz.fr/doc/2586743/the-icrc-and-the-private-sector-le-cicr-et-l-economie-privee>

² More details available at: www.icrc.org/en/upport-us/audience/corporate-support#five-pillars-corporate-engagement

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organization to carry out its mandate given the ever-growing humanitarian needs it faces on the ground in increasingly complex environments.

The ICRC Corporate Support Group

The ICRC Corporate Support Group or CSG³ was established in 2005, with seven founding members, all well-reputed public Swiss companies or foundations thereof: ABB Ltd., the Fondation Hans Wilsdorf, the Fondation Lombard Odier, F. Hoffmann-La Roche AG, Swiss Re Foundation, Vontobel Group and Zurich Financial Services Ltd. These were joined by Avina Stiftung, Credit Suisse Group (since 2008), Novartis (since 2013), Philips (since 2015)⁴ and Adecco (since 2017)⁵, the most recent member being Novo Nordisk, (December 2017). Companies which become members of the CSG pledge to donate a minimum amount of three million Swiss francs over a period of six years⁶; this is to guarantee a minimum financial commitment over a period of time which allows for the parties to build on identified areas of common interest in order to develop a meaningful collaboration. In 2005, donations from the private sector represented approximately 0.5% of the ICRC's overall expenditure⁷; by comparison, in the ICRC Annual Report 2016, this figure is closer to 3%⁸.

The Dunantist approach

Ethical principles guiding ICRC's partnerships with the private sector were elaborated and formally validated in 2002⁹. The criteria that must be met in order for the ICRC to engage with a corporate entity stem from its *fundamental principles*.

The International Red Cross and Red Crescent Movement, of which the ICRC is part, is indeed guided by seven indivisible fundamental principles: Humanity, Impartiality, Neutrality, Independence, Voluntary service, Unity and Universality. Jean Pictet's¹⁰ PhD thesis¹¹ dedicated to this topic led to their official adoption during the 20th International Red Cross Conference held in Vienna in 1965 and the subsequent publishing of Jean Pictet's *Commentary*¹² on said, destined for a larger audience.

In this work of reference, the fundamental principles are clustered into three categories: substantial principles (humanity, impartiality), derived principles (neutrality, independence) and organic principles (voluntary service, unity and universality)¹³. The two former categories are most commonly referred to with the NIIHA acronym, which stands for Neutral, Impartial and Independent Humanitarian Action. Organizations that operate according to these principles are referred to as "Dunantist", among which of course the ICRC.

³ Most of the resources for the ICRC come from the companies' Corporate Social Responsibility (CSR) budgets.

⁴ Daniel Palmieri, "The ICRC and the Private Sector", art. cit. p.8.

⁵ <https://press.adeccogroup.com>

⁶ ICRC interview with then Head of Private Sector Relations, Gilles Carbonnier, 7 October 2005, www.icrc.org/eng/resources/documents/interview/private-sector-interview-071005.htm

⁷ *Idem*.

⁸ The 2016 figure includes all private sources such as private sector but also private individuals and private foundations. As such, it may not be scientifically speaking strictly comparable to the 2005 figure, although it allows for an indication of the trend.

⁹ ICRC, "Ethical principles guiding the ICRC's partnerships with the private sector", 22nd May 2002. Available from: www.icrc.org/en/document/ethical-principles-guiding-icrc-partnerships-private-sector

¹⁰ Jean Pictet (1914-2002), Doctor of Law, ICRC Delegate, Director General, Member and Vice-President of the ICRC, Director and then President of the Henry-Dunant Institute, and Associate Professor in the University of Geneva.

¹¹ Jean Pictet, "Les principes de la Croix-Rouge", Comité international de la Croix-Rouge, 1955.

¹² Jean Pictet, "Les principes fondamentaux de la Croix-Rouge : Commentaire", Institut Henry-Dunant, 1979.

¹³ Jean Pictet, "Les principes fondamentaux...", art. cit. p. 10.

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These organizations are traditionally independent and autonomous, not only towards governmental authorities or armed forces, but also with regards to donors policies¹⁴.

Jean Pictet introduces the following definition for the notion of principle: “In the realm of philosophy a principle is an abstraction of moral category, drawn from ideal trends of society that imposes itself upon human conscience and becomes an absolute and undisputable imperative. Referring to our subject here, we will say more simply that it is a rule based on judgment and experience that a community adopts to guide its conduct¹⁵”. We therefore understand that the implementation of the fundamental principles of the Red Cross evolves according to the contexts in which the institution operates, its reading of current societal evolutions, and on the basis of its own learnings and experiences.

Current ethical debate

Against this backdrop, continuous dialogue across all hierarchical levels around ethical issues is at the core of the organizational culture in the ICRC. The institution’s position with regards to its engagement with the private sector is no exception.

The main argument put forward by voices disagreeing with some forms of engagement is the perceived risk of the ICRC’s NIIHA approach being jeopardized. Indeed, according to Jean Pictet’s interpretation of the principle of independence, “the Red Cross cannot associate itself with another institution that would not respect, in an absolute manner, its moral and material independence¹⁶”. The same is true about political neutrality: “All that is asked of them is not to militate in favour of enterprises or ideas having nothing to do with the mission the Red Cross assigned itself [...]”¹⁷.

This interpretation appears to be rather in contradiction with an active engagement with certain institutions, for example the World Economic Forum (WEF)¹⁸, which has been historically criticized for promoting the self-interests of a global elite of wealthy individuals and enterprises. It boils down to the following essential question: Is it possible to reconcile the exclusively humanitarian objectives pursued by the ICRC with geo-economic ones held by the WEF and its members, without compromising the NIIHA approach?

One argument in favour of the involvement of the ICRC at the highest level of the WEF could be that it is a platform for influencing the political agendas and for laying down the most serious humanitarian concerns in an arena where they might be heard by the world’s most influential decision makers. The question could also apply to the strategic partnerships between the ICRC and members of its CSG, especially when the effects of said cooperation see the institution facilitating access for companies to new markets, in still fragile contexts where it is virtually the only international organization present. Concretely, this translates into the ICRC mobilizing its field knowledge and networks in the service of select companies, giving them a definite asset to develop competitive advantage. It is therefore evident that members of the CSG may profit – in the economic sense of the word – from their partnership with the ICRC. Some may question whether it really is the ICRC’s position to take this role. Consequently, it is critical to rigorously

¹⁴ Abby Stoddard, “Humanitarian NGOs: challenges and trends”, *Humanitarian Policy Group*, Number 12, July 2013, p. 1-3.

¹⁵ Jean Pictet, “Les principes fondamentaux...”, art. cit. p. 9 [editor’s translation].

¹⁶ Jean Pictet, “Les principes fondamentaux...”, art. cit. p. 57 [editor’s translation].

¹⁷ Jean Pictet, “Les principes fondamentaux...” art. cit. p. 53 [editor’s translation].

¹⁸ Since 2014, the ICRC’s president is a member of the foundation board of the WEF. See www.icrc.org/fr/document/mieux-servir-les-personnes-vulnerables-grace-la-cooperation-avec-le-forum-economique [editor’s note].

deliberate about the risk of economization of aid, and its potential effects on the integrity – real, and more importantly perceived – of humanitarian action.

Conversely, one can argue that it is not only realistic but also desirable that companies see the possibility of making profit in such collaboration. Surely, any strategic partnership must be based around a company's core business – otherwise it is mere philanthropy: that is where such a collaboration becomes really *strategic*, and can contribute to providing sustainable solutions that will help improve the overall humanitarian response.

Furthermore, a sceptic might ask why the ICRC would engage with companies, some of which may be – or risk to become – exposed to controversies in the public eye. One could make a parallel with the fact that certain States that the ICRC engages in dialogue with, have less than exemplary track records in terms of respecting, and ensuring respect for International Humanitarian Law. On the other side, these States are signatories to the Geneva Conventions so it is expected – and essential – for the ICRC to engage in a dialogue aiming to influence their behaviour. With companies, it is a strategic choice to engage with them, in order to enhance the humanitarian response and that is why ethical guidelines are essential.

A “principled pragmatism” approach

Taking a step back, a distinction is to be made between *objectives* and *interests*. The former has a long term perspective, it is the desired result. For the ICRC it is its core goals of preserving the life and dignity of those affected by conflicts. The latter, however, refers to a more fluid notion of concerns and advantage, on a material or moral level. This distinction between end game and motivating factors is the essence of the principled pragmatism approach practiced by the ICRC in its humanitarian diplomacy efforts¹⁹.

It is also at the core of the principled negotiation method of the Harvard Negotiation Project²⁰ and has been widely applied and advocated by John Ruggie²¹, in convincing multinational enterprises to adopt the UN Guiding Principles on Business and Human Rights. It allows for greater room in finding common ground and focuses on finding mutually beneficial outcomes, rather than strong-arming to obtain concessions. For the ICRC, this means that, even though the starting point of any prospective relationship is rooted in humanitarian needs, the institution may be open to other outcomes benefitting its partner, in the same way it may benefit from these relationships beyond mere funding considerations.

For example, the institution can learn from business management practices that will make it more effective in its work, as seen in the partnership with Swiss Re, one of the world's leading reinsurers and member of the Corporate Support Group, who offers training to ICRC internal auditors in control and risk management processes. In benefitting from this company's expertise, the ICRC improves its efficiency in reaching strategic objectives, ultimately enhancing its operational response to humanitarian needs in the field.

¹⁹ As described by the International Federation of the Red Cross and Red Crescent: “Humanitarian diplomacy is persuading decision makers and opinion leaders to act, at all times, in the interests of vulnerable people, and with full respect for fundamental humanitarian principles.”

²⁰ Created in 1979 by William Ury and Roger Fischer, the mission of the Harvard Negotiation Project (HNP) is to improve the theory, teaching and practice of conflict resolution and negotiation by working on real world conflict intervention, theory building, education and training, and writing and disseminating new ideas.

²¹ John Ruggie, Doctor of Law, Professor in Human Rights and International Affairs at Harvard's Kennedy School of Government, Affiliate Professor in International Legal Studies at Harvard Law School, former UNSG's Special Representative for Business and Human Rights.

As per the five pillars of the ICRC's corporate engagement, corporate partnerships are also about seeking out the expertise of private companies that are innovating, socially responsible and have the capacity to contribute to the ICRC's efforts towards a more effective humanitarian response: "Corporate actors specialized in health care such as Philips, Novartis or Novo Nordisk, to name a few, have experience and know-how in many health and medical fields, where the ICRC and other humanitarian actors can benefit from and increase their response and the quality of the services they provide to affected populations."²²

Most importantly, by engaging with corporate actors, the ICRC also gives itself the ability to influence the behaviour of private sector actors present in, wishing to access or having influence on areas, before or after conflicts, so as not to exacerbate a situation of vulnerability or provoke a deterioration of an already fragile context²³. At a post-Davos meeting in 2017, the ICRC reported that its participation "provides the ICRC with the opportunity to shape debates and initiatives and a chance to exchange with others as part of its efforts to stay on top of global trends and best practices and how these (potentially) affect humanitarian response and working in complex environments."²⁴

Convergence of interests

Let's not forget that engaging with companies to fulfil its mandate is nothing new for the ICRC as it has been partnering closely with the private sector from its creation, 155 years ago. With its history, reputation and leading position built over this century and a half, the ICRC can, and should be selective, strategic and consistent about the actors it chooses to engage with, and the form these partnerships take. The fundamental principles guiding the activities of the Red Cross are both a set of rules, a minimum standard to which the ICRC rigorously holds itself, and an ideal in continuous development to which it aspires. It ought to take a pragmatist approach in its dialogue with the private sector to ensure innovative solutions can be created, while upholding a neutral, independent, impartial humanitarian action. In our situation, the apparent conflict between objectives of two sectors with distinct purposes seems rather evident and it would be self-defeating to try conceding on those. However, there is definitely room for convergence of interests, which can represent valuable opportunities for both parties. Two critical aspects from a humanitarian perspective include sustainability and scale.

In light of the ICRC's increasingly public initiatives of engagement with the corporate sector, the ICRC has enhanced its guidelines for entering into partnerships with private companies. The new screening guidelines were adopted by the Council of the Assembly in June 2017. These new guidelines strive to enhance and inform ethical considerations, allowing for a more systematic and professional way to feed into internal discussions leading to decision-making, foreseeing a review of companies prior to the establishment of any partnership as well as continuous screening of their actions²⁵.

** This article reflects the authors' personal opinions and does not in any way reflect an institutional position.*

²² ICRC Blog, "What Impact can partnerships have on Health outcomes in Fragile Environments?" 1 March 2016 at <http://blogs.icrc.org>

²³ See www.securityhumanrightshub.org

²⁴ ICRC, "Better serving people in need through cooperation with the World Economic Forum", 20 January 2017, www.icrc.org/en/document/icrc-cooperation-with-world-economic-forum

²⁵ The public version of this document is available on the ICRC website: www.icrc.org/en/document/ethical-principles-guiding-icrc-partnerships-private-sector

Biographies

Jessica Fleurinor • She started her professional career in the private sector, in the marketing activities of a multinational corporation in Geneva. It is after having survived the earthquake in Haiti during a private trip (2010) that Jessica joined up with the humanitarian sector and the ICRC. Her operational itinerary led her to Chad, the Ivory Coast, Afghanistan and Rwanda before integrating the Human Resources team at ICRC headquarters in November 2014. Since her return to Geneva, Jessica Fleurinor has finished a DAS in Corporate Social Responsibility at the University of Geneva and is presently finalising a Master's degree in Humanitarian Action. It is within the frame of this Academic research that she was led to analyse the strategic partnerships of the ICRC with the private sector, and more widely, the role of private economic actors in the area of humanitarian affairs. She is now working at the internal audit of the ICRC and her next field assignment is scheduled for the spring of 2018.

Caroline Putman Cramer • She joined the ICRC in 2008 and worked in Cote d'Ivoire, Sudan, Haiti, Colombia and Peru principally in the area of protection, supporting penitentiary administrations and working to improve the protection of civilians affected by conflicts, among others. Since 2014, Caroline is based at the ICRC headquarters supporting protection teams in the Americas and as adviser on urban violence. In 2017 she completed a DAS in Corporate Social Responsibility at the University of Geneva including a dissertation on ICRC strategic partnerships with the private sector. She also became a member of the ICRC Pension Fund Board and, in December 2017, started her current position as Country Manager for Scandinavia in Donor Relations and Fundraising. Before joining the ICRC, she worked in Cambodia striving to prevent trafficking and sexual exploitation of women and children. Born in Switzerland, she holds a Master's in International Law, with a specialization in human rights. She speaks English, French, Spanish and Swedish.

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