

Business and Industry Major Group Oral Statement for PrepCom II, Chair's Dialogue with Major Groups

Session A, Question One: Views on the priorities of action indicated in the Zero draft

I represent the Business & Industry Major Group and the UNISDR Private Sector Partnership group.

Our views on the priorities of action can be best explained by referring to our Five Private Sector Visions for a resilient future that we have presented in the course of the informal consultations, the drafting of which involved members of our Group from all regions and sectors, and the details of which are available through our position papers on the World Conference website.

We from the Private Sector envision a future under the new framework where:

- 1) Strong public-private partnerships drive DRR and resilience at the local and national level;
- 2) Resilience in the built environment is driven by both the public sector raising minimum standards, and the private sector voluntarily working towards optimum standards;
- 3) All financial investment decisions, public and private, are risk-sensitive;
- 4) Everyone, including the public and private sector, behave in a resilience-sensitive way and create a positive cycle of reinforcement;
- 5) The identification, disclosure and proactive management of risks carried by companies and public sector entities, is standard practice.

Overall, the private sector is satisfied with the Zero draft and appreciates how our inputs are reflected. We believe that the Five Private Sector Visions will be achievable under the Zero draft, with the public and private sector and civil society working together. Thus, our overall recommendation is to keep the Zero draft intact.

Priority I, Understanding risk, is extremely important to the private sector, as it lays the foundation for investing in disaster risk reduction and resilience. We are eager to start working with the Global/Regional Science community on the "development of science-based and common methodologies and standards for risk modelling and assessment" (23a) that will provide the basis for codes and standards governing the built environment (Vision 2), financial investments (Vision 3), investments made by businesses into their own resilience and resilient behavior (Vision 4), and the identification and reporting of risks (Vision 5). We are also prepared to work with national and local governments on the collection, analysis, and dissemination of risk information and metrics (22c) through voluntary activities – the City Resilience Scorecard is a good existing example of our voluntary contribution towards analysis – as well as through business-based collaborative partnerships (Vision 1). Our improved corporate reporting and rating systems (Vision 5) can add to the overall understanding of risk and we envision that they will ultimately contribute towards the systematic survey, recording, and public accounting for all disaster losses and economic impacts (22b) at the National/Local level. We support the effort to develop and use disaggregated data for risk modelling and assessment.

Under **Priority II, Strengthening governance**, we are prepared to answer the call to join National/Local all-stakeholder coordination platforms (25f) and Global/Regional collaboration and partnerships (26b). These platforms and partnerships, together with the mentioned quality

standards, certifications, regulations, incentives, compliance, public reporting, and other mechanisms (25a, c, h) at the National/Local level, will provide for an enabling environment where the wider private sector is encouraged to adopt risk-sensitive behavior.

Priority III, Investing in economic, social, cultural, and environmental resilience addresses three of the Private Sector Visions – Vision 2: resilience in the built environment, Vision 3: resilient financial investments, and Vision 4: a positive cycle of reinforcement between resilient-sensitive businesses and a resilient-sensitive public.

The built environment, in Vision 2, is one of the first lines of defense in any natural disaster, and we need to “Build Better from the Start”, and certainly to “Build Back Better” when needed. This is an area where private sector voluntary efforts can make a big difference. We appreciate that the concept “Build Better from the Start”, as well as the relevant recommendations at the National/Local level regarding land use regulations and building codes and their monitoring and enforcement (28a-h) have been included in the Zero draft.

The private sector is highlighting financial system reform, as Vision 3, because, as reported by GAR13, trillions of dollars in new investment are expected to pour into hazard-prone areas in the coming decades. We need to reverse this trend and promote risk-sensitive investments; for that, global cooperation is the essential first step. We thus appreciate the mention of financial and fiscal instruments to support risk-sensitive public and private investment at the Global/Regional and National levels (28j). We note that this topic will be further discussed in tomorrow’s Technical Workshop 2, and we made a recommendation on an additional global target for paragraph 13 for consideration by the Informal Working Group on Targets and Indicators.

Vision 4 promotes a positive cycle of reinforcement between resilience-sensitive businesses and a resilience-sensitive public. Private businesses can contribute to this by raising awareness, training and protecting employees (28c), taking care of their business continuity, and providing innovative products and services that address risk reduction and resilience.

We appreciate **Priority IV, Enhancing preparedness for effective response, and building back better in recovery and reconstruction** as affirmation that the actions recommended under the Hyogo Framework for Action will continue. We are confident that the role of businesses as partners in response, recovery, and reconstruction, and as innovators and providers of products, services and solutions, while not expressly stated, are well understood by local and national governments, as well as other partners including international organizations. The private sector owns, invests in, builds, operates and maintains most of the critical infrastructure and has a lot of technical expertise in understanding the whole infrastructure lifecycle. This expertise is particularly useful in post-disaster reconstruction. Public private partnerships, including the Japanese practice of agreements for response and recovery between companies and local governments, have been well noted in regional discussions. Our Private Sector Vision 4 highlights the contribution of private businesses to continuity planning and the training and education of employees; for example, an insurance company cooperates with a public institution in Paris to support community continuity management.

We have a few recommendations to refine the Zero draft. We suggest that Priority I includes a recommendation to avoid duplication of efforts, and specifies the need for standardized data,

instead of simply mentioning data. For Priority III, the discussion of supply chain resilience and the role of SMEs could be strengthened to reflect the Global and Regional consultations to date. The importance of treating all infrastructure as a system and managing the entire infrastructure lifecycle could be a useful addition to the discussion on the built environment. Also, the addition of the word “insurance” would clarify what is meant by risk transfer mechanisms. To Priority IV, the words “Business Continuity Management”, although well mentioned in the Role of Stakeholders (33) section, may be added to highlight its importance for preparedness. The Business and Industry Group developed a detailed Position Table for your reference, where we suggest specific new wording for these paragraphs in the Zero draft. We also identified existing wording in the Zero draft that contributes towards the realization of the Five Private Sector Visions for a resilient future, and that we wish to be preserved.

Session A, Question Two: Views on the role of stakeholders, international cooperation and global partnership indicated in the zero draft

I represent the Business & Industry Major Group and the UNISDR Private Sector Partnership group.

The private sector supports the Zero draft, including these two sections. As noted previously, we have identified specific wording in the Zero draft that we wish to be preserved in our position paper.

Our primary roles as stakeholders are to make risk-sensitive business decisions and resilient investments, develop innovative products and services that provide solutions for DRR and resilience and to offer expertise to contribute to a more resilient society. We wish to note that both developed and developing countries will benefit from our innovations and expertise in DRR and resilience, through commercial means as well as through international support mechanisms. We have listed, in previous Position Papers from the informal consultations, examples of good practices and innovations in DRR and resilience from different sectors and regions.

Our current focus is to make these initial good practices much more wide-spread. We intend to work on mainstreaming them, by collaborating with governments at all levels, other businesses, civil society and a wide range of other stakeholders (38), and by facilitating the sharing of these initial good practices through existing or new platforms and mechanisms. The informal consultation process has been greatly beneficial in identifying the scope of potential collaboration with the other Major Groups, as well as the common concerns among us. We welcome further opportunities to collaborate with all groups and interests - governments, NGOs, experts, civil society - and positively encourage steps that help to build the mutual understanding needed across all stakeholders for truly effective disaster prevention and management.

Session B, Question One: What role can Major Groups play in building coherence and mutual reinforcement between DRR, SDGs and climate agreements?

I represent the Business & Industry Major Group and the UNISDR Private Sector Partnership group.

The private sector welcomes coherence and mutual reinforcement between the three global agendas. In an increasingly complex and interdependent world, DRR and resilience are competing for attention within a growing list of business risk factors, as well as corporate sustainability and social responsibility concerns. Thus, the private sector welcomes coherence and mutual reinforcement between the three global agendas.

We envision three different roles for the private sector in building this coherence and mutual reinforcement.

First, the private sector can play a key advisory role during implementation, by supporting governments as well as other stakeholders with critical expertise. Many businesses have sound experience in knowledge management as it improves our efficiency and reduces overheads.

Also, as mentioned yesterday, the private sector holds Five Visions for a resilient future under the new framework where:

- 1) Strong public-private partnerships drive DRR and resilience at the local and national level;
- 2) Resilience in the built environment is driven by both the public sector raising minimum standards, and the private sector voluntarily working towards optimum standards;
- 3) All financial investment decisions, public and private, are risk-sensitive;
- 4) Everyone, including the public and businesses, behave in a resilience-sensitive way and create a positive cycle of reinforcement;
- 5) The identification, disclosure and proactive management of risks carried by companies and public sector entities, is standard practice.

The Zero draft creates an enabling environment for the private sector to prioritize disaster risk reduction and resilience in our decision-making, and invest in developing and testing innovations that further these goals. It lets us move forward with our Five Visions, under the reasonable assumption that the governments will provide us with the required policies, incentives and other enabling measures. Next steps for us in the private sector include identifying key industry sectors for DRR and resilience, raising awareness in these key sectors, encouraging a much wider portion of the private sector to join in the dialogue, sharing good practices, and widen collaboration. In pursuing these next steps, the private sector can make an additional contribution, by reaching out to companies actively involved in the SDG and climate agreement processes in order to generate coherence and understanding at the stakeholder level.

Third, our vision on risk-sensitive financial investment is rapidly moving forward under an initiative, recently announced at the UN Climate Summit, in which multiple stakeholders will work together to utilize the expertise accumulated by the re/insurance sector (1-in-100 initiative). We note that the stress tests will be specifically designed to serve as metrics across all three agendas, and underpin common accounting and financial rules to form a tangible connecting element.

Session B, Question Two: What potential Major Group commitments to support the implementation of the post-2015 framework for disaster risk reduction could be delivered at the Third UN World Conference on Disaster Risk Reduction, Sendai, March 2015?

I represent the Business & Industry Major Group and the UNISDR Private Sector Partnership group.

We are committed to support the implementation of the post-2015 framework in several different ways.

As mentioned yesterday, we have already submitted numerous examples of good practices and innovations in DRR and resilience from different sectors and regions, and intend to work on mainstreaming them. This requires analyzing what worked and lessons learnt, and sharing results and best practices. On occasion of this PrepCom, we are pleased to submit one early voluntary commitment concerning the study of good practices in multi-sectorial partnerships in disaster risk management, by an Asia-Pacific private sector partner. We are confident that more voluntary commitments from the private sector will follow.

Second, the UNISDR Private Sector Partnership group are developing voluntary commitments on each of our Five Private Sector Visions for a resilient future, under the reasonable assumption that governments will implement the required policies, incentives and other enabling measures, including multi-stakeholder collaboration, under the post-2015 framework. In the process, we will identify key industry sectors for DRR and resilience, raise awareness in these key sectors, and encourage an increasingly wider portion of the private sector to engage.

We note that while our inputs to date are framed as inputs into an intergovernmental discussion of the post-2015 framework, and thus often focus on what governments can do to realize our visions of a resilient society, we are also looking into what actions we ourselves must undertake to drive our society towards disaster risk reduction and resilience, as innovators and providers of products and services, as a partner, or in an advisory capacity. Our members are already reaching out, individually or in partnership, to governments and other stakeholders in building resilience in our communities, as our list of good practices shows. Such work by member companies and organizations will continue.

Third, some of our Business and Industry Major Group members are actively participating in the organization of roundtables, dialogues, and sessions in the World Conference, and are working on formal commitments specifically for these sessions, for example the Multi-stakeholder Partnership Dialogue on Risk Sensitive Investment: Public-Private Partnerships.

And lastly, we intend, where possible, to connect the DRR framework with the other global agendas through our commitments. For example, under the 1-in-100 Initiative to integrate disaster risks in financing, which was announced as part of the UN Climate Summit, some of our members have made a commitment to report on this initiative under the auspices of the Post-2015 Framework for Disaster Risk Reduction.

In closing, we would like to stress the importance of engaging the Private Sector as part of the solution to DRR. We will reach out ourselves to partners, but we also look forward to being invited by other Major Groups as well as Member States to discuss future collaboration.