

## Private Sector Input on Pre-Zero Draft, Open-ended informal consultations, Session 1

### Topic: Section A. Preamble

Paragraph 5, Point 6: on role and responsibilities of all stakeholders	
Original text and private sector proposal	It is necessary that all stakeholders be recognized and take on roles and responsibilities in order to play their part in close partnerships in the common endeavor, as States' institutions alone cannot tackle the challenges to manage disaster risk. <b>It is important, in turn, for States to actively seek collaboration with stakeholders and define mutual roles and responsibilities.</b>
Rationale	While in full agreement with this point, we suggest an addition at the end of this sentence to clarify that the States must also be willing to let the stakeholders play their part.
Regional consultation basis	Encourage the development of regulations, incentives and tools to motivate improvement in disaster risk management by the private sector. <i>Bangkok Declaration on Disaster Risk Reduction in Asia and the Pacific 2014, 6<sup>th</sup> Asian Ministerial Conference on Disaster Risk Reduction, Bangkok, Kingdom of Thailand, 22-26 June 2014, Paragraph 5, P. 3.</i>
Paragraph 5, Point 7: on local level disaster risk management	
	We express our appreciation of this point that includes businesses as partners in local-level disaster risk management, together with local authorities, communities, and civil society. We reiterate our message that engaging businesses' core strengths, expertise, and power of innovation is as important at the local level, rather than just a company's capacity for volunteerism.
Paragraph 5, Point 10: on risk-informed investments	
Original text and private sector proposal	<b>Risk-sensitive public and private investments are essential. To promote these, strengthened financial instruments, or schemes with embedded specific requirements for resilience before financing and/or incentives would be awarded, such as tax incentives, financing incentives, and project fast-track incentives that reward risk-sensitivity; financial and accounting regulations and standards that guide investment decisions; enhanced sharing and use of risk information; and transparent reporting based on clear standards</b> are required at the local, national and global levels.
Rationale	This point reflects the private sector's input, but is highly abstract in contrast to other points in Paragraph 5.

	<p>This bullet can be enhanced by:</p> <ol style="list-style-type: none"> <li>1) Replacing the term 'risk-informed' with 'risk-sensitive'. We consider the term 'risk-informed' to be not strong enough, as one can be informed and neglect the implications.</li> <li>2) Giving examples of 'strengthened financial instruments,' and</li> <li>3) Referring to the necessary pre-conditions that promote risk-sensitive investment.</li> </ol> <p>Also, we suggest saying 'local', 'national', and 'global', as we consider this recommendation also valid at the local level, and in order to unify the usage of the term 'global' with the Priority of Action section.</p>
Regional consultation basis	Develop incentives and partnerships for the private sector to increase investment in disaster risk management, climate change adaptation and low carbon development o boost resilience and the sustainability of local economies. <i>Sixth Session of the Pacific Platform for Disaster Risk Management, Meeting Statement, 2-4 June 2014, Suva, Fiji, Paragraph 25f, P. 4.</i>

### Topic: Section B. Purpose, Scope, Outcome and Goals

We find these well stated. No additional input.

### Topic: Section C. Guiding principles

Paragraph 12 e): on empowerment of local communities and administrators	
Original text and private sector proposal	...their management requires the full leadership, <b>engagement</b> and empowerment of local communities, <b>local stakeholders</b> , and administrators.
Paragraph 12 f): on recognition and alignment of public and private stakeholders	
Original text and private sector proposal	A clear recognition, articulation and alignment of responsibilities across public and private stakeholders, including <b>national and local administrators, communities, businesses, civil society, and</b> volunteers, are essential to ensure implementation and accountability in <b>reducing and managing risks. The needs and contributions of Micro, Small and Medium Enterprises (MSMEs) should be taken into account when developing the legal and policy frameworks to improve resilience in the private sector.</b>

Rationale	<ul style="list-style-type: none"> <li>We recommend an addition at the end of f) that focuses on Micro, Small and Medium Enterprises (MSMEs). Both the importance of encouraging better business continuity practices among MSMEs, as well as making sure MSMEs are not squeezed out of competition by the stricter rules introduced to the private sector so they can be more resilient, are concerns voiced in private sector consultations in Asia, Pacific, Americas, and Europe, and specifically mentioned as part of Asia-Pacific AMCDRR and the Pacific Platform outcomes.</li> <li>Additionally, we recommend clarification of ‘public and private stakeholders’ to indicate the wider reach of the latter than just volunteers.</li> </ul>
Regional consultation basis	<ul style="list-style-type: none"> <li>The private sector is not a singular homogeneous entity. Subsectors vary with differing considerations and abilities to support disaster risk reduction. A subsector specific tailored approach is needed to <b>engage micro, small, medium and large organizations</b>. <i>Summary of Key Findings from Pacific Platform for Disaster Risk Management, Plenary Discussions on the Key Elements of the Post 2015 Framework on Disaster Risk Reduction, 2-4 June 2014, Suva, Fiji, Paragraph 3, P. 1.</i></li> <li>Encourage the development of regulations, incentives and tools to motivate improvement in disaster risk management by the private sector <b>with an emphasis on micro, small and medium enterprises</b>. <i>Bangkok Declaration on Disaster Risk Reduction in Asia and the Pacific 2014, 6<sup>th</sup> Asian Ministerial Conference on Disaster Risk Reduction, Bangkok, Kingdom of Thailand, 22-26 June 2014, Paragraph 5, P. 3.</i></li> <li>Highlight that the responsibility of the private sector in building sustainable development should be registered within the mainstreamed efforts of all actors involved in risk management. Aspects such as business continuity and protecting employees from labour risks, while important, should also be integrated within a broader and more strategic vision of risk reduction generated by their activities within their social and territorial surroundings. <i>Fourth Session of the Regional Platform for Disaster Risk Reduction of the Americas, 27-29 May 2014, Guayaquil, Ecuador.</i></li> </ul>

Paragraph 12 h): on transparency and disclosure	
Original text and private sector proposal	<p>Transparency in, and the disclosure of, disaster risk information in public and private transactions and investments are essential, together with accountability for risk creation, <b>and needs to be governed through clear financial and accounting standards, regulations and codes, and encouraged through guidelines and the sharing of information and data. Adoption of voluntary standards and reporting by stakeholders such as the private sector is important to accelerate this process.</b></p>

Rationale	We recommend the additions to strengthen the motivation for the private sector to engage in voluntary standards and reporting practices.
<b>Paragraph 12 i): on risk-informed decision-making and accessible risk information</b>	
Original text and <b>private sector proposal</b>	<p>Sound disaster risk management is based on risk-<del>sensitive</del> <b>up-to-date</b>, simple and easy-to-understand, science-based <del>non-sensitive</del> <b>and modeling</b>, including on disaster losses, socio-economic impact, hazards' characteristics, and people and assets' exposure and vulnerability, at every level.</p> <p><b>Better data sharing between public, private, and academic data holders, improved access to scientific assessment methods, development of metrics that describe both the required minimum standards and the voluntary optimum for resilience, and methodology to analyze the costs and benefits of risk-sensitive investments are necessary.</b> Relevant local, traditional, and indigenous knowledge, culture and practices are to be taken into account.</p>
Rationale	<p>The pre-zero draft makes frequent mention of 'risk information' and 'risk-informed decisions and investments'. We wish to make sure that these notions are clear, and set a high enough standard, to produce the resilient outcomes and future we desire.</p> <ul style="list-style-type: none"> <li>• Current codes and practices already take into consideration 'risk information' and the decisions and actions they generate can claim to be 'risk informed'. However, in most cases they are not demanding enough to ensure 'resilience', which means both protecting people and preserving assets against future hazards.</li> <li>• Truly 'resilient' decisions and investments involve setting the bar above the minimum, which may vary by area. The 'metrics' we refer to are the analytical tools to define this level for each locality, and their development relies on 'risk information'.</li> <li>• The focus of efforts should be to both raise the minimum governed by laws and regulations to 'adequately resilient', and also to encourage voluntary commitments that raise this to the optimum. The latter will have only come by creating a more enabling environment in which the truly resilient investments and decisions are rewarded with the highest incentives, for example tax breaks, favorable financing, and preferential treatment in vendor selection in the government procurement process for those demonstrating resilient practices.</li> <li>• One of the UNISDR private sector group's ongoing work is to engage with the public sector to create such a system and stimulate such behavior.</li> </ul>