Business and Industry Major Group
Oral Statement for Consultative Session with Member States, 19 September

I represent the Business and Industry Major Group and the UNISDR private sector group.

I would like to share with you our collective impressions on the Pre-Zero Draft. We have participated in the two informal consultative sessions so far, and have submitted detailed Private Sector Position Papers for each, which are available online and through the Co-chairs or UNISDR.

1. The Business and Industry Major Group's main recommendation is to bring the urgency and the insistence to engage the private sector, which was evident in the *Suggested Elements* and during the consultations, back into the Zero-draft.

Almost every area of DRR – be it land use, risk-aware investment, preparedness, education of the public and workforces –requires a strong Public Private Partnership. For example, Public Private Partnerships can help ensure resilient infrastructure in cities. Private companies are innovators as well as providers of technologies that are critical for DRR and resilience. The private sector can also ensure that DRR is based on sound risk assessments, and that the risk information is made available to the end users, the communities at risk. The private sector is already doing a lot, but coordination and cooperation is key. We need to collaborate more. We have to interact because lives and economies depend on it. We think the upcoming zero-draft needs to reflect that sense of urgency.

We are thus asking for more explicit statements on the need for governments to initiate active collaboration between governments and the private sector. We would also like to emphasize the fact that the right policy and regulatory environment and public-private collaboration will motivate the private sector to use voluntary standards and reporting practices.

2. The central message that the new framework should send to the world is "disaster risk reduction has to be woven into the very fabric of economic decisions." We understand that this is a difficult task that requires DRR to be discussed beyond the established sphere of DRR practitioners and policy-makers. But as the Preamble states, we are trying to improve on the HFA, which managed to bring mortality loss under control, but not economic loss. If the framework can make this message clear, action will follow not only by States but also by stakeholders such as the private sector.

To this end, we are strongly requesting the inclusion of wording that compels governments to create the right policy and regulatory environment for private sector investment in three particular areas: building codes, financial regulation, and corporate reporting and transparency.

- In terms of the Built Environment, we envision a future world where information on the resilience of buildings is transparent and accessible, where construction standards set by governments require buildings to be adequately resilient, and businesses work voluntarily to make them optimally resilient. A strong Public-Private joint effort can make a real difference in creating the necessary enabling environment at the national and local level.

  Based on the above, we suggest that the focus in the Built Environment should be on Building Better from the Start rather than on Building Back Better. We in the private sector strongly support the latter concept, and understand that the post-disaster window of awareness is, at this point of time, one of the best opportunities for resilient building in many countries. However, we strongly believe it is preferable to build better the first time around. Hence we believe Building Better from the Start needs to be given equal if not more emphasis in this forward-looking framework that will cover an open-ended period. We are working on a suggestion to include Building Better from the Start as a new paragraph in the fourth key priority area (*Investing in resilience)*, or, alternatively, as a new, fifth priority area.

- In terms of financial regulation, there is an urgent need to develop a more rational financial and accounting framework for the public, private and mutual/cooperative sectors to appropriately assess, report, and communicate their exposure to disaster risk and the related material implications to their assets. In the absence of such a framework, the prospect of structural and comprehensive improvements in disaster risk reduction across these sectors will remain a distant goal. We in the UNISDR Private Sector Group are working on developing a set of disaster resilience metrics that would become part of financial and accounting regulation with the aim to highlight disaster risks to institutions and shift mainstream capital to more resilient investments in the long-term. We propose to governments to work closely with the private sector to explore how best to adapt and apply these disaster resilience metrics in supporting regulations for risk-sensitive and climate-smart public and private investments, as part of strengthening resilience at the national and local level, and at the global and regional level.

- In terms of corporate reporting and transparency, the private sector still lacks reporting standards on disaster risk, as well as reliable data and metrics that allow companies to understand and evaluate the cost-benefit of addressing risks. Again, the UNISDR Private Sector Group is working on a proposed solution. National and local governments can set policies to propel the private sector towards reporting and transparency. At the international level, having the private sector indicators in the post-HFA monitoring framework will also be a great push for us in the right direction.

3. There are existing tools and resources developed in the past decade under HFA, by various stakeholders working together under UNISDR, such as the LG-SAT and the City Resilience Scorecard. We think these resources should be mentioned explicitly in the framework. Additionally, we encourage governments to focus on the adaptation of internationally proven methods and tools to local conditions, rather than developing new ones.

[I am directly involved with the work around financial regulations, and Michael here is involved with the development of the Scorecard, and is currently working with cities and local governments to beta test it. We will be happy to answer your questions on these in particular, as well as any of the other points made.]

We hope that the Member States here today understand the Business and Industry Group's sincere wish to collaborate towards disaster risk reduction and resilience. We are taking care to ensure that our inputs to the Co-chairs are taking into consideration not only the concerns of the companies directly involved with the group, but also the ones of the MSMEs, the women and youth entrepreneurs, and other businesses from various sectors. We are also collaborating with the

Science and Technology community, with whom we share common concerns on risk information-sharing and development of metrics.

I wish to close by sharing the results of a survey conducted by the UNISDR private sector group recently, with a cross-section of industries in the Built Environment. Companies surveyed span every geographical region and collectively employ almost 700,000 people. 97% responded that their company would be willing to spend an extra 10% to make an investment more resilient to natural hazards, if that extra cost could generate an economic payback below 1 year. Hence we argue there is a potential for private sector investment in resilience that can greatly benefit local and national economies with the right policy environment. The survey results, which we have attached to the written input to the Co-Chairs for yesterday’s session, list examples of public policies that encourage private sector investment into resilience in Mexico, Japan, Australia, the Philippines, and the US, and I invite representatives of Member States to have a look at them.