Business and Industry Major Group: Oral Statement for 2 October 2014

Excellencies, Ladies and Gentlemen, and Major Groups:

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

For this session, we have been working to answer Co-Chair Ambassador Kairamo's comment for us to move from the general and abstract to the concrete and practical. In our understanding, you wished to know how the ideas we suggest can be implemented by practitioners on the ground. This statement thus focuses on how HFA2 should influence the behavior and activities of the public, private, and other actors who will be responsible for implementing it.

We have framed this statement around five priority issues for which we have concrete visions of what can be realized in the next 10-20 years under HFA2, if we take urgent and immediate action. They are:

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

We present the details in an attached table. We refer to our previous statement on Section D, and would like to highlight new insights on implementation.

First, regarding public private partnerships, we would like to encourage governments to include the private sector into DRR-relevant decision-making processes at the national and local level. There are many existing public-private sector and multi-stakeholder platforms that can be used and strengthened. They seem to work best when multiple industry sectors and multiple stakeholders are represented, are regularly convened, and are clearly positioned within the governmental decision-making process. For public-private partnership projects aiming to provide a product or service, in which local governments can take advantage of private sector expertise, we highlight that an appropriate legal and policy framework is needed that allows implementation of PPP projects and concessions in key sectors. We believe it is worth the effort. The Resilient Cities Scorecard developed by private companies in collaboration with local governments is a key example of a highly successful public private partnership that improves resilience at the city-level in different world regions. Both the Local Authorities Major Group and our group have asked to mention this in the zero-draft as an existing resource to build on. A PPP project in Oregon, United States, realized an efficient and environmentally sustainable delivery of a big and complex program to repair or replace 365 bridges statewide over 8 to 10 years, on time and under budget, and utilizing 22 key public sector liaisons instead of 600 new positions it was estimated to require.

Second, we reiterate our belief that the safety and resilience of the Built Environment is key for poverty reduction and sustainable development, and an area where both building regulations and the private sector's voluntary initiative may be taken advantage of effectively. A foundation to Building Better from the Start is risk-sensitive land use planning. To achieve this, policies that mandate incorporating risk into land-pricing would be beneficial. In a second step, the infrastructure of communities needs to be planned and built in a resilient way. Third, to ensure resilience of public and private buildings, building codes should follow proven global standards and be adapted to the local conditions. And finally, a favorable policy environment will encourage private companies to take voluntary steps to ensure optimal resilience in the Built Environment.

Third, we highlight again the necessity of risk-sensitive financial investments. To this aim, governments should enact financial regulations requiring the public, private and mutual/cooperative sectors to report and manage their assets' exposure to climate and disaster risk. I am happy to report that over the past week, at the UN Climate Summit, the first step has been taken as an alliance of public and private sector organizations launched the '1 in 100 Initiative', which advocates to integrate climate and natural disaster risk into financial regulation across public and private accounting. We strongly welcome the participation of the Science and Technology communities in these developments, namely in strengthening the science and data required for analyses of risk that underpin the proposed changes to the financial system.

Fourth, we reiterate our belief in the importance of access to risk information, businesses playing a part in informing the public as well as our employees, and the positive cycle of reinforcement this creates. As noted by the Science and Technology Major Group, we can be major drivers of DRR innovations, particularly in converting science data to risk information, and also making risk information user-friendly and accessible. When companies take measures for disaster risk reduction and resilience, employees are not only safer, they themselves become more resilience-sensitive. A resilience-sensitive public will encourage companies to behave in a resilient manner and pay attention to the continuity of their business, which may involve ensuring the continuity of SMEs along the supply chain as well as the communities in which they are located.

Fifth, we promote the disclosure of risks and their proactive management to become a standard practice for both private and public sector entities. To support this, governments can incentivize companies to incorporate disaster risk reduction and resilience-related reporting into corporate reporting. Governments may also mandate business and industry associations to implement and oversee corporate reporting in their relevant sector. Such risk transparency further enables decision makers on all levels to mange their risks in a pre-emptive fashion – and to strike the right balance between investment in prevention, preparedness and risk transfer options. The Caribbean Catastrophe Risk Insurance Facility (CCRIF) for example implements a PPP scheme to provide cover against natural disasters in the Caribbean region.

I would like to mention also that for everything we suggest, we are able to give practical examples. I would like to refer you to our separately submitted table for this.