

Section D. Priorities for Action – Private Sector views on practical implementation

We chose five priority issues to illustrate how HFA2 should influence the behavior and activities of the public and private actors who will be responsible for implementing it.

Private Sector vision: Elements of our resilient future, which we may realize if we begin now, after 10-20 years under HFA2				
Concepts to be mentioned in HFA2	Mechanisms for implementation	Actions to be taken	Concrete examples	Fit within Section D
“What should be in HFA2 for the vision to come true?”	“What mechanisms (new or existing) are necessary?”	“What would the public and the Private Sector have to do?”	“What are the models that exist today, and lessons learnt?”	“How does this translate into actual wording of the draft?” Here we refer to our suggestions submitted on 18 September, “140917_Private Sector Position_Section D_Inputs_Final Draft For circulation_1.pdf”

Note: This document does not systematically address how other stakeholders would take part, although they might be mentioned in certain sections. It focuses on the role of the Private Sector in relationship to the public sector, as this is an issue that can be best explained by the Private Sector.

Private Sector vision 1: Strong Public Private Partnerships drive DRR and Resilience (DRR/R) at the local and at the national level				
Concepts to be mentioned in HFA2	Mechanisms for implementation	Actions to be taken	Concrete examples	Fit within Section D
<p>Global level: Platforms</p> <p>Cities and States draw from leading practices, ideas, and tips from multi-stakeholder or Private Sector platforms.</p> <p>National level: Platforms</p> <p>Private Sector invited into DRR/R decision-making process.</p> <ol style="list-style-type: none"> Gov't bring together multiple industry sectors of Private Sector (perhaps among multi-stakeholder platform) to facilitate regular and systematic input/recommendations. Gov'ts consider and act on recommendations made. Business sectors organize and provide collective input. Businesses are aware of mutual benefits of collaboration and eager to share insights and expertise. <p>Local level: PPP, P3, Concessions</p> <p>Private Sector is recognized as active partner for local governments, in both decision-making and action.</p> <ol style="list-style-type: none"> Local Governments draw on specific Private Sector expertise for specific problems via Private Sector vendors, instead of creating parallel public vs. private solutions. Local Governments draw on Private Sector expertise in larger, exploratory issues, via global or national 'marketplaces' and other means. Local Governments periodically talk to local Private Sector on issues (e.g. Local Governments services that Private Sector needs improved, Private Sector services that Local Governments need developed), in platform as outlined above. 	<p>Global level:</p> <p>Platforms/ marketplaces coordinated by international organizations involving the Private Sector and public institutions</p> <p>National level:</p> <ol style="list-style-type: none"> Platforms and input mechanisms. Addition of functions to existing input mechanisms recommended over creation of new. Legal environment that allows multi-stakeholder input into decision-making. 4 Awareness, sense of purpose, organization within Private Sector to provide collective output. <p>Local level:</p> <ol style="list-style-type: none"> Legal environment that allows Local Governments to take advantage of Private Sector vendors, engage with Private Sector at the Local Government level (possibly involving removal of legal barriers); understanding of Private Sector strengths by Local Governments; identification of Private Sector resources in local community. Marketplace connecting Local Governments needs with Private Sector expertise and resources; global tools, voluntary Private Sector involvement e.g. City Resilience Scorecard. Local level platforms for discussion; community-level platforms; closer connection between Local Governments and critical infrastructure service providers. 	<p>National and local governments to:</p> <ul style="list-style-type: none"> Find a way to systematically include Private Sector input into decision-making processes (national and local). Consider using existing platforms before starting new ones. In any case, hire an official resilience coordinator for these platforms (national and local) to make it work. Listen to what the Private Sector has to offer, including leading examples as well as areas that need improvement in publicly offered services. Identify legal barriers to PPP/ P3/ concessions (at national and sub-national levels) and begin dialogue on whether PPP benefits for DRR/R and sustainable development might outweigh and overturn barriers. Through leading practices and expertise, local contact and dialogue, identify areas of practical partnership at the local level, and pursue them. <p>Private sector to:</p> <ul style="list-style-type: none"> Join existing PPP platforms. Contribute to global/national efforts to create working public-private marketplace. Actively participate in multi-stakeholder and/or PP dialogue Organize themselves within sector/ industry, provide collective input, collaborate in the spirit of social responsibility Familiarize with global leading examples and offer Local Governments partnership solutions that might work in their country context. 	<p>Public-Private Marketplace:</p> <p>UNISDR-facilitated Resilient Cities Marketplace. The Resilient Cities Marketplace is a platform for promoting and sharing innovations, technologies and services between local and national governments, intergovernmental and non-governmental organizations, the Private Sector, communities and other stakeholders that would accelerate support and increase resilience at local level. link</p> <p>Existing national platforms that serve as models:</p> <p>Australian Business Roundtable: this resilience platform's strength is in its multi –industry sector organization, and its permanent advisory status. link</p> <p>Canada's Platform for DRR is a practical multi-stakeholder platform model which generates bottom-up recommendations and action at the national and local level. It is not a perfect model, as the government is not under obligation to act upon the recommendations. link</p> <p>Conseil d'Orientation Pour la Prévention des Risques Naturels Majeurs (COPRNM), France, includes the insurance sector and is very effective. link</p> <p>PPP outputs showing benefits of collaboration:</p> <p>AECOM and IBM developed City Resilience Scorecard with Local Governments from Making Cities Resilient Campaign. link</p> <p>AECOM worked closely with the Green Building Council of Australia to create Green Star Communities which integrates resilience into urban planning and design of precincts or neighborhoods. link</p> <p>AXA Research Fund, a Public Private Partnership, funds 2academics x €100M to develop research, among which Resilience metrics and increased knowledge on natural catastrophes. link</p> <p>Mexican Chamber of the Construction Industry (CMIC) support federal and local institutions in charge of civil protection, to safeguard lives by providing knowledge and equipment, maintaining a registry of companies, solid waste management post-disaster, institutional synergies. link</p> <p>Munich Re and Munich Re Foundation collaborated with the United Nations University and the International University of Bangladesh to improve resilience in exposed Bangladeshi communities. link</p> <p>Swiss Re, together with partners developed the Economics of Climate Adaptation (ECA) methodology, which provides decision makers with data allowing them to understand the impact of climate change on their economies and to design local adaptation strategies. link</p> <p>PPP projects that serve as models:</p> <p>AbzeSolar S.A. works in partnership with Local Governments of West Africa Economic Monetary Union: Burkina Faso, Benin, Guinea Bissau, Ivory Coast, Mali, Niger, Togo to implement "Initiative MAMA-LIGHT for Sustainable Energy" link, which includes training for trainers and will benefit more than 10 000 Municipalities on the program.</p> <p>ADCON Telemetry works in 20 countries supporting local and national programmes for providing real time and reliable weather data for resilience, covering a broad range of components (water, agriculture, climate adaptation, civil protection, index insurance, etc..) link</p> <p>A joint venture of Fluor Enterprises, Inc. and HDR Engineering, Inc. contracted with the Oregon Department of Transportation to repair or replace 365 bridges statewide over 8 to 10 years. The project stimulated Oregon's economy received numerous awards in the area of sustainability. link</p> <p>Kokusai Kogyo's resilient community development and operation/management via PPP. Chapter 1 of link</p> <p>Munich Re and Swiss Re collaborate with the Caribbean Catastrophe Risk Insurance Facility (CCRIF) to provide disaster risk protection to the Caribbean region. Munich Re further supports the region under the umbrella of the Munich Climate Insurance Initiative to provide a weather-index insurance policy. link</p> <p>Swiss Re, the World Bank and Uruguay partner to complete largest renewable energy insurance transaction. The partnership supports low-carbon energy generation, with the private insurance company assuming a portion of risk in a USD 450-million weather coverage deal between the government of Uruguay and the World Bank Treasury. link</p> <p>Unidos por Ellos (Together for them) is an initiative bringing together the public, humanitarian and multiple industries of the private sector in Mexico to provide services ranging from communication over logistics and supplies to health and education. link</p>	<p>Para 13 (main) "...; and investing in social, economic, and environmental resilience. Additionally, there is a need for the full commitment, knowledge, experiences and resources of all stakeholders, and the building of strong partnerships at all levels.</p> <ul style="list-style-type: none"> UNISDR's Local Government Self-Assessment Tool (Local Governments SAT) and City Disaster Resilience Scorecard tools enable cities to...." <p>Para 14 d) "...and promote the engagement and partnerships with the Private Sector for resilient investments and delivery of services"</p> <p>Para 14 f) "Strengthen networks among disaster experts including those in the Private Sector, managers and planners across sectors..."</p> <p>Para 14 h) "... and practitioners working on disaster risk management including those in the Private Sector."</p> <p>Para 15 (main) "... and conditions the effective and efficient management of disaster risk and productive multi-stakeholder collaboration. All stakeholders, including NGOs and the Private Sector, must be involved in a dialogue to build consensus on goals and a strategy to achieve the goals."</p> <p>Para 15 a) "... and the strengthening of economic and social resilience. Scheduling and coordination of annual Multi-stakeholder Resilience Round Tables with Private Sector, NGOs, science and technology, and other stakeholders may be necessary to ensure such national and local plans are effective as well as up-to-date in terms of information and processes."</p> <p>Para 15 e) "Establishment or further strengthening of all-stakeholders coordination mechanisms at national and local levels, such as national and local platforms for disaster risk reduction, with official coordinators for each level. ...national and local disaster management plans and information-sharing commitments."</p> <p>Para 16 c) "... to local needs. To this aim, promote the development of predictable cooperation and coordination mechanisms for preparedness and response, which may include the usage of business facilities and services, in addition to national or local governments."</p> <p>Para 17 g) "Strengthen... capacities in local and national disaster risk management, including those related to technology, training, and human material resources, for example by utilizing locally available resources through public-private partnerships."</p> <p>Para 19 (main) "... need to be further strengthened. In particular, the public and Private Sectors need to develop partnerships to develop strategies and systems for effective risk detection and mitigation. In that regard:..."</p> <p>Para 20 c) "Promote the development of predictable cooperation partnerships and coordination mechanisms, making use of best technologies and innovation, which may include..."</p> <p>Para 22 (main) "...all stakeholders, including the public and Private Sectors, including MSMEs, to work with NGOs and local communities... predictable system for cooperation. In order to leverage the expertise of sectors closely connected to the impact of major risks and potential drivers of prevention and resilience, such as building or infrastructure contractors or the insurance industry, formal relationships, notably partnerships, between public sector and industry federations and business associations in these sectors should be built. "</p>

Private Sector vision 2: Resilience in the built environment is driven by public sector setting adequate minimum standards, and creating an enabling environment to exceeding them, and the Private Sector voluntarily working towards optimal resilience

Concepts to be mentioned in HFA2	Mechanisms for implementation	Actions to be taken	Concrete examples	Fit within Section D
<p>Global level: International standards and best practices</p> <p>Public, private, and science community work toward setting a degree of consistency in recommended practices and standards that may be adapted to local conditions and constraints.</p> <p>National level: Land use and construction policies and regulations</p> <p>The right policy and regulatory environment encourages resilient Private Sector business strategies in the built environment and sustainable land use.</p> <p>Countries implement Building better from the start, as well as Building back better, by:</p> <ul style="list-style-type: none"> - For new investments as well as reconstruction, ensuring land use is risk-sensitive in planning as well as practice. - For new investments as well as reconstruction, ensuring minimally required building codes adhere to globally proven norms and are enforced in practice. - For new investments, encouraging the Private Sector to voluntarily raise the level of resilience above codes, to optimum resilience, through: <ul style="list-style-type: none"> New incentives Including resilience as clause to existing incentives Public recognition of resilience Corporate reporting practices - Risk insurance functions as intended. <p>Private sector: Voluntary standards</p> <ul style="list-style-type: none"> - Industry-sector led adoption of voluntary practices above minimum building codes. - Proactive adoption of corporate reporting and labeling practices for rating resilience. - Feedback of experience and expertise into national and international dialogue. - Incentivization via private insurance, finance, and reporting organizations. 	<p>Global level:</p> <p>Sharing experience in the effectiveness of incentives, setting common strategies on aligning resilience and green investments.</p> <p>Work with science community to assess building material safety for fit for 21st or 22nd century world, and to assess standards for resilient buildings that can withstand 21st and 22nd century hazards</p> <p>National/local level:</p> <p><u>Land use:</u></p> <p>Land use regulations based on risk assessment.</p> <p>Administrations comply with their own land use regulations.</p> <p>Stumbling blocks to effective risk insurance removed.</p> <p><u>Built environment:</u></p> <p>Building codes satisfying minimum levels of resilience, consistent with international standards.</p> <p>Voluntary building standards going above code.</p> <p><u>Creating a cycle of reinforcement:</u></p> <p>Tax, finance, permitting, fast-tracking and other incentives to support private investment made above code, including indirect methods, e.g. adoption of voluntary standards above codes made a prerequisite for green investment qualification.</p> <p>Public recognition (e.g. labels with stars on the outside of buildings) of both public and private investments made resilient above code. May also be coordinated at Global level.</p> <p>Encouragement of a common approach to corporate reporting that recognizes resilience.</p> <p>Remove obstacles that prevent insurance from collaboratively promoting resilience.</p> <p>Private sector:</p> <p>Incentivization by private insurance, finance and reporting organizations.</p>	<p>National and local governments to:</p> <ul style="list-style-type: none"> - Make land use decisions with resilience in mind. Must develop protocols where risk and resilient decisions go hand in hand. - Consider how to make risk insurance work in their country. - Focus on disaster resilient infrastructure as the new normal / standard for new developments and rehabilitation of existing structures. - Clear up proliferation and fragmentation of codes (where applicable) and make effort to follow globally proven standards with local adaptation. - Create enabling environment for Private Sector through incentives, public recognition of resilience and good behavior, inclusion of resilience in reporting practices. - Remove obstacles that prevent insurance from collaboratively promoting resilience. <p>Private sector to:</p> <p><u>Land use:</u></p> <p>Get informed about and follow global best practices in sustainable and resilient land use.</p> <p>Aid science community in developing technologies that can provide disaster vulnerability projections for the next 25 or 50 years.</p> <p><u>Built environment:</u></p> <p>Related sectors: actively work on developing and using voluntary standards and reporting practices.</p> <p>Finance/insurance sectors: create incentivising products, such as risk insurance linked to risk assessment and prevention measures.</p> <p>All: proactively integrate local, national and global standards into business strategies and decisions.</p>	<p>Private sector leading by example, setting voluntary standards:</p> <p><u>Fortified resilience rating systems:</u> Insurance Institute for Business and Home Safety (IIBHS) has invested in a facility to test full scale houses against wind, rain, hail and brushfire hazards, demonstrating that current codes in many locations are inadequate. IIBHS is implementing a resilience rating system for homes, labelled Fortified link. Proposed US congressional legislation would incentivize reconstruction above code in disaster declared areas.</p> <p><u>Green Star built environment rating system:</u> AECOM worked closely with the Green Building Council of Australia to create Green Star Communities, an internationally recognized built environment rating system, focusing on environmentally sustainable design, construction and operation of buildings, neighborhoods and entire communities. Green Star has been implemented in more than 760 building projects. link</p> <p><u>Building back better – building assessment for rebuilding Christchurch:</u> link</p> <p><u>Critical infrastructure design:</u> IBM Canada has 2 of the newest and greenest datacentres in IBM's worldwide holdings, setting a new standard for critical infrastructure. Through their use IBM gathers data on targets for Power Usage Effectiveness (PUE) which may be useful for future legislation. IBM assists countries and clients to adopt the design – e.g. site selection and land use, as a 5 degree temperature variance between locations can mean significant cost savings and lowered energy consumption. IBM is also involved in curriculum development in BSc and MS degrees with resilience elements. link</p> <p><u>Public recognition:</u> Tsunami Ready is a voluntary rating system identifying disaster resilience by the beach tourism sector in Asia While their standard does not include built environment safety, it is listed here as an example of public labeling, link.</p> <p>On functional risk insurance: Insurance has been identified as a major recommended vehicle for resilience. In principle, insurance is priced in accordance to the evaluation of the risk but in practice, regulation often does not allow the insurance to do so consistently (e.g. gender-based car insurance pricing forbidden on behalf of equal access rules). Compulsory insurance (large volumes lessen prices) based on levels of risks, associated to well-established risk zoning, is ultimately recommended.</p> <p>Some examples: French risk insurance system complemented by layer to ensure solvency of the system via a State guaranteed Reinsurance entity. In England, a new system is currently being put in place for floods which in principle has pricing adapted to the true risk. A German system based on true risk pricing failed because it was not made compulsory.</p>	<p>Para 14 (new point above c) “Adopt an internationally accepted resilience rating system to rate all public facilities and all critical private facilities regarding their ability to withstand current and future hazard levels, specific to their locations.”</p> <p>Para 14 c “...and promote the engagement and partnerships with the Private Sector for resilient investments and delivery of services”</p> <p>Para 15 (new bullet between g and h) “Review building codes and their enforcement, to reduce fragmentation and inconsistent implementation, and to upgrade to best international practices (i.e. similar codes for similar hazards globally).”</p> <p>Para 15 i) “Stimulate the development and adoption... of... quality standards and mechanisms for compliance, including certification, in specific sectors. This includes adopting an internationally accepted resilience rating system for public and critical private facilities and adapting it to local current and projected future hazards. Governance should be strengthened to manage disaster risk and integrate DRR technology into DRR policies, by reinforcing communication with the research community and networking across multiple sectors.”</p> <p>Para 16 b) “... social and cultural requirements. It is important to ensure real time access to reliable data, and use ICT innovations to enhance collection, analysis and dissemination of data and financial transactions.”</p> <p>Para 17 c) “Protect and strengthen critical public facilities and physical infrastructure... through proper design, retrofitting and re-building to internationally proven standards, in order to render them adequately resilient to hazards. Encourage the Private Sector and other relevant stakeholders, through incentives, to take voluntary steps to raise resilience from adequate to optimum for these critical facilities.”</p> <p>Para 17 m) “Adopt internationally proven building codes, standards, rehabilitation and reconstruction practices...”</p> <p>Para 18 (new point after d) “Common effort in partnership with the scientific community and the Private Sector to create an internationally accepted resilience rating system for public and critical private facilities that can be applied using local future hazard projections.”</p> <p>Para 19 (new point after e) “Common effort in partnership with scientific community and the Private Sector to establish best international practices, (similar codes for similar hazards globally) is essential.”</p> <p>Para 23 (as last sub bullet) “In pursuing their strategies and plans for a more resilient future, States are encouraged to actively seek partnerships with the Private Sector, the scientific community and other stakeholders, at the national and local level, that initially will involve dialogue, but quickly move on to plans, actions and joint implementation.”</p> <p>And/or, new paragraphs on Building Better from the Start (Nat/Local, Glob/Regional) to address issues above.</p>

Private Sector vision 3: All financial investment decisions, public and private, become risk-sensitive				
Concepts to be mentioned in HFA2	Mechanisms for implementation	Actions to be taken	Concrete examples	Fit within Section D
<p>Global Level: financial regulation institutions</p> <p>Institutions involved with financial regulation reflect disaster risk in the regulation of capital and procedures of accounting to promote resilient business practices and risk-sensitive financial decision-making.</p> <p>Proactive dialogue and engagement with financial regulation institutions lead to more accurate assessments of the impacts of natural disasters on the financial stability of countries, companies and individuals, for targeted policies around financial stability and inclusion.</p> <p>Develop, test and apply incentives for risk-sensitive investment and behaviour across the financial system.</p> <p>National Level: adopt policies around financial reform and apply disaster risk stress-tests</p> <p>Governments review existing financial and fiscal instruments and standards, to include disaster risk stress-tests (see The 1 in 100 Initiative in “Concrete Examples”) based on the tools and experience of the insurance industry.</p> <ul style="list-style-type: none"> Apply disaster risk stress-tests across public, private and mutual/cooperative accounting standards, and other relevant entities across the economy. Require the reporting and disclosure against disaster risk stress-tests on an annual basis. Create public-private platforms to promote dialogue and awareness, connecting insurance and financial sectors’ expertise with public need to improve assessment and management of disaster risk related financial losses in economically rational way. Recognize that the right financial policy and regulatory environment will stimulate risk-sensitive private sector investment. <p>Private sector: recognize and adopt disaster risk stress-tests in future business models, risk management strategies and investment plans</p> <p>Borrowing from insurance sector approaches, disaster risk stress-tests transform mainstream business practices and decision-making towards resilience across the private and financial sectors.</p> <ul style="list-style-type: none"> Enables businesses to understand their disaster-risk exposure and make proactive decisions to manage this risk and protect their businesses Enables institutional investors to make informed decisions <p>Test investments against annual losses associated with disaster risk.</p>	<p>Global Level: Adoption of disaster risk stress-tests (the ‘1 in 100 Initiative’) to integrate natural disaster and climate risk into financial system.</p> <p>National Level: Create financial policy and regulatory environment for embedding disaster risk stress-tests across the economy in public, private and mutual/cooperative accounting standards.</p> <p>Private sector: Access and apply knowledge and methods needed to support application of disaster risk stress tests into private and mutual/cooperative accounts, investment processes and transactions.</p> <p>Ongoing evaluations and proactive management of financial risk associated with disasters.</p> <p>Science: Ensure an appropriate science, data and analytics environment to enable organizations to evaluate their exposure to natural disaster risk.</p>	<p>Global financial regulators to: Initiate implementation of guidelines, standards and products across the financial system.</p> <p>National and local governments to: Collaborate at the international level, with financial regulators and the insurance industry, to translate international standards into adequate national/local financial policy and regulatory frameworks.</p> <p>Enact financial regulations requiring public, private, mutual/cooperative sectors to report and manage their assets’ exposure to climate and disaster risk.</p> <p>Mandate relevant public institutions or regulatory bodies to oversee corporate financial reporting and management around disaster risk exposure.</p> <p>Private sector to: Embed disaster risk stress-tests as part of wider corporate risk management strategies, business models and investment plans.</p> <p>Proactively apply local, national and global standards for asset valuation in the context of disaster risk management.</p> <p>Actively work on developing and using voluntary standards such as the ‘1-in-100 Initiative’ and report on them.</p> <p>Liaise with business associations in own sector to contribute to advancing the above.</p> <p>Science: Enable wider access to open-source data facilities for catastrophe risk information and modelling.</p> <p>Support and develop joint research programs and platforms between public science bodies and disaster risk modelling networks in finance and re/insurance sectors.</p>	<p>Integrating Risks into the Financial System: The 1-in-100 Initiative</p> <p>At the Climate Summit on September 23rd 2014 in New York, at the invite of the UN Secretary-General, a commitment to integrate natural disaster and climate risk into the financial system, ‘The 1 in 100 Initiative’, was announced by an alliance of public and private sector organizations. link</p> <p>At the core of Initiative is the 1-in-100 year solvency stress test, which evaluates the maximum probable annual financial loss that a company, a city, a region, or even an individual farm or property, could expect once in a hundred years, to enable them to manage their risk in a more informed and effective way.</p> <p>The 1-in-100 year solvency stress test is a key metric similar to those developed by the insurance sector to assess its own ability to manage climate and disaster risk, and gradually build resilience over the last two decades. Link</p> <p><i>Note: This section is purely about financial investment. We focus on this topic for two reasons: first, any positive change we may introduce there can be expected to produce enormous ripple effects throughout society; second, we believe that an intergovernmental framework such as HFA2 is exactly the vehicle to effect that positive change.</i></p>	<p>Para 17 f) “Review existing financial and fiscal instruments and standards, including the application of disaster resilience metrics across public, private and mutual/cooperative sectors, in order to support risk-sensitive investments and to allocate climate-smart and disaster resilient financing.”</p> <p>Para 21 (new point, no positional preference) “Engagement with institutions involved with financial regulation should be enhanced in an effort to better understand the impacts of natural disasters on the financial stability of countries, companies and individuals, and thereby promote key policy developments around financial stability and inclusion”</p> <p>Para 23, 1st bullet “Business, professional associations, private sector financial institutions including financial regulators and accounting bodies, and philanthropic foundations are encouraged to...”</p>

Private Sector vision 4: Resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies

Concepts to be mentioned in HFA2	Mechanisms for implementation	Actions to be taken	Concrete examples	Fit within Section D
<p>The public: knowledgeable and demanding</p> <p>Non-resilient activities by citizens/ workforce are reduced through education, awareness-raising, and leadership of governments, Private Sector, and science community.</p> <ul style="list-style-type: none"> - DRR/R's role and importance in poverty reduction, sustainable development, etc. is well understood. - The public, companies, and their workforces are aware of risks and ways to reduce/mitigate them. - There is demand for the right to live in resilient societies. - There is demand for individuals, companies, and governments to behave resiliently. - There is demand for up-to-date and understandable risk information. - Everyone and every entity is better prepared in case of disasters. <p>Private sector: responsible and responsive</p> <p>Increased awareness leads to demand for resilience in economic activities, including:</p> <ul style="list-style-type: none"> - Business continuity management (BCM) by the Private Sector, including supply chain management and continuity of SMEs - Continuity and resilience of critical infrastructure that affect economy - Better emergency planning as a community; public, private, and citizen - Resilient investments and decision-making - Disclosure and reporting by companies, disclosure and reporting regulation by governments, to ensure transparency <p>Increased awareness leads to market demand for for-profit business for DRR/R, such as:</p> <ul style="list-style-type: none"> - Creation/innovation of new DRR/R solutions. - Acceleration of DRR/R projects. - New ideas and opportunities for PPP in DRR/R. 	<p>Global level:</p> <p>Creation and maintenance of shared up-to-date risk information, including location-based information, by science community.</p> <p>Collection and sharing of necessary risk information by governments and Private Sector. Standards of data collection and sharing.</p> <p>Review of existing initiatives to avoid duplication.</p> <p>National level:</p> <p>National disaster databases and statistics from each country, with disaggregated data, data related to localized disasters as well as major ones.</p> <p>Encouragement of BCM directly (laws and regulations) as well as indirectly (tools and incentives) by governments as well as industry sectors.</p> <p>Policy prioritization of DRR/R to encourage shift in corporate policy.</p> <p>Integration of DRR/R in education curriculum, in addition to preparedness.</p> <p>Smart technology for resilient societies.</p> <p>Local level:</p> <p>Effective sharing of risk information with end users. Community-based continuity management that connects government and stakeholders at the local level.</p> <p>Private sector:</p> <p>Market demand for DRR/R products, services, including products that increase DRR/R and risk information products. Market preference for DRR/R-sensitive companies. Competitive edge given by tax, finance, permitting, fast-tracking and other incentives by both public and Private Sector.</p> <p>Education of workforce, upstream/downstream partners including SMEs and community. Use of scenario planning in BCP/BCM.</p>	<p>National and local governments to:</p> <p>Create where necessary, organize, and share up-to-date risk information necessary for accurate risk assessment, by scientific communities, investors, insurers, companies conducting cost-benefit analysis, and the community, at the necessary resolution.</p> <p>Ensure that there is no duplication of effort with ongoing information-gathering and -sharing exercises.</p> <p>Incentivize companies to share risk information in an understandable manner with their workforce, customers, and partners, especially SMEs.</p> <p>Develop policy environment that encourages Private Sector to develop and implement resilient solutions, e.g. give mandate to business and industry associations to implement resilient solutions in their sector.</p> <p>Incentivize companies to share company's risk information to shareholders and public.</p> <p>Integrate DRR/R in primary and secondary education curriculum, along with preparedness.</p> <p>Private sector to:</p> <p>Develop communication systems and processes to share risk information with their workforce, customers, and clients, e.g. media may allot airtime for practical knowledge in DRR that can be applied on the individual level. Existing safety management systems can be aligned to DRR and expanded to community.</p> <p>Train workforce in DRR-relevant activities and DRR/R mindset; ensure employees are DRR/R sensitive in their work.</p> <p>Turn policy objectives into practical solutions and provide technologies that are critical for DRR/R.</p> <p>Make own organization responsibly resilient, and proactively engage in community resilience. Scenarios consider event frequency and intensity based upon last 10 years, not 100 years, and engages not only employees but community.</p>	<p>Risk information and sharing:</p> <p>A recent Global Map for Sustainable Development session noted "it appears that it is taken for granted that up-to-date, reliable base maps are always available in the world. However, that is not necessarily the case in reality." (para 17-18, UN E/C.20/2014/6/Add.1)</p> <p>From the insurance sector: "In some countries, notably in Asia, the governments have to give access to their loss data. Standardization is also strongly needed to be able to process them in risk models" (pers. comm.)</p> <p>On smart technology:</p> <p>We note that developing countries may be at an advantage of adopting a resilient system using the latest smart technology to encourage resilience in their countries and communities, in contrast to countries with many layers of entrenched legacy systems. An analogy is how cellphone use revolutionized communications in areas where landlines were still lacking.</p> <p>Community Continuity Management:</p> <p>AXA Headquarters Business Continuity Plan is coordinated with EPTB Seine Grands Lacs. In addition to describing to employees what to do in case of major flooding, the plan includes buildings and supply chain management. i.e. Paris has two levels of engagement for Seine flooding: public organizations coordinate with all stakeholders, and individual companies take leadership to implement.</p> <p>San Francisco, US, and cities in Japan dedicate at least one day a year to earthquake drills across entire city, involving the whole community.</p>	<p>Para 14 k) "Promote public education and awareness through campaigns, social media, corporate communication, community mobilization and other available means."</p> <p>Para 15 d) "...volunteerism. Such mechanisms should increase the level of preparedness and cohesion at the community level, so that community organizers for disaster risk reduction understand the risks that the community faces, work with governments to identify mitigation and preparedness stePrivate Sector, maintain that level of preparedness over time, and identify the most effective way to communicate risk and preparedness actions to individuals and families in the community."</p> <p>Para 15 g)</p> <ul style="list-style-type: none"> - Regulate and provide incentives for actions by households, individuals, and communities, particularly at the local level. - Encourage the Private Sector, through laws, policies, and regulations to contribute as a partner of national and local governments to the management of disaster risk at the local and national level. <p>Para 17 (main) "... education, agriculture, food security,..."</p> <p>Para 17 (new bullet after m) "Establish national and regional multi-purpose weather data collection and dissemination systems."</p> <p>Para 18 (main) "... practices and learning. The specific need for access and dissemination of real time, reliable and useable weather data should be addressed. Having strong regional data hubs will support national systems, and public-private or multi-stakeholder management of these hubs will ensure effective and sustainable implementation. In that connection..."</p> <p>Para 18 a) "Common methodologies for risk assessment, such as two-step assessments involving a "typical" case and a "worst" case and modeling future hazard levels around the global projected over the next century, monitoring, disaster recording and statistics, and sharing of information should remain a priority ..."</p> <p>Para 18 c) "... to support disaster risk reduction. Both "top down" (government-to-citizen) systems such as warning systems and "bottom up" (citizen-to-government and citizen-to-citizen) systems that enable data to be crowd-sourced and enable the peer-to-peer social cohesion should be promoted."</p> <p>Para 20 a) "...regional policies, operational mechanisms, plans, information-sharing and collaboration procedures, and communication systems to prepare for and ensure rapid and effective disaster response in situations that exceed national coping capacities"</p> <p>Para 21 (main) "...and losses, and to develop systems and mechanisms where they do not exist, support national and regional capacities for data collection and dissemination."</p> <p>Para 23 1st bullet "Business... are encouraged to: ...integrate disaster risk management in business models and practices and engage in awareness-raising, training, and communication toward of their employees; ensure the full use of innovation and technologies towards implementation, particularly the dissemination of data; give special attention to strengthen disaster risk reduction and management practices in Micro, Small and Medium Enterprises (MSMEs), in enterprises run by women and young entrepreneurs and in the informal sector; ... customers. Telecommunications and water supply companies are particularly encouraged to integrate disaster risk management in their core business models and practices."</p>

Private Sector vision 5: Identification and disclosure of risks carried and their proactive management becomes a standard business practice				
Concepts to be mentioned in HFA2	Mechanisms for implementation	Actions to be taken	Concrete examples	Fit within Section D
<p>Global level:</p> <p>International policy frameworks draw on corporate disclosure data as part of their monitoring of global risk and resilience.</p> <p>National level:</p> <p>Governments utilize corporate reporting and rating information to gain a more precise picture of risk and exposure, and identify areas of necessary improvement.</p> <p>Governments tie in incentives and rewards to corporate proactive management of risk.</p> <p>Local level:</p> <p>Communities gain an accurate picture of risk held by businesses in their community, as well as which companies are proactively managing their risk.</p> <p>Individuals seek out knowledge on corporate disaster-risk-related behavior, and choose to favor responsible corporations.</p> <p>Private sector:</p> <p>All businesses assess their own risks and take the relevant prevention measures.</p> <p>Risks as well as relevant prevention measures are reported in a transparent manner, so that investors, shareholders, and customers may accurately value resilience, and governments may accurately assess the collective risk and exposure represented within their borders.</p>	<p>Global/regional level:</p> <p>Development of common approach to corporate reporting that recognizes resilience and makes it an integral part of CSR and sustainability reporting.</p> <p>Development of associated risk assessment and cost-benefit assessment metrics by Private Sector and science community.</p> <p>National level:</p> <p>Encouragement of use of common approach to corporate reporting.</p> <p>Industry sector and business association-led adoption of common approaches and risk management methods (as not one method or criteria fits all).</p> <p>Local level:</p> <p>Education and awareness-raising on what to look for.</p> <p>Private sector:</p> <p>Incorporation of disaster risk management (DRM) into the central decision-making process of the organization.</p> <p>Streamlining of DRM into existing safety management, climate change mitigation, and/or sustainability operations.</p> <p>Prioritization of risk reduction measures, especially where risk is unavoidable (e.g. in location or industry).</p> <p>Adaptation of common reporting approaches.</p>	<p>National and local governments to:</p> <p>Encourage incorporation of DRR/R related reporting into corporate reporting.</p> <p>Give mandate to business and industry associations to implement solutions in their sector.</p> <p>Educate and raise awareness on importance of corporate responsibility in disaster risk management.</p> <p>Private sector to:</p> <p>Develop common approach to corporate reporting and necessary risk assessment and cost-benefit assessment metrics with science community.</p> <p>Incorporate disaster risk management (DRM) into the central decision-making process of the organization.</p> <p>Streamline DRM into existing safety management, climate change mitigation, and/or sustainability operations.</p> <p>Prioritize risk reduction measures within operations, especially where risk is unavoidable (e.g. in location or industry).</p> <p>Adopt common reporting approaches.</p> <p>Businesses commit to voluntary and rigorous application to work planning, for example scenario-planning that expands beyond historical data to include climate change analyses of weather events on proposed projects</p>	<p>On private sector reporting:</p> <p>There are two kinds of disclosure that companies may engage in, financial reporting/rating and social reporting/rating for companies. Social rating agencies rate all the non-financial impacts of businesses operations (that is environmental, social and governance issues often known as ESG issues).</p> <p>Goal 3 discusses what needs to be considered in financial reporting/rating, and be made mandatory for all publicly listed companies to ensure risk-sensitivity in future investments.</p> <p>Social rating and reporting systems are also instrumental in encouraging better corporate resilience. There are several categories, some of which are listed below; there are many others. It is recommended that DRR/R be folded into existing systems, instead of creating new reporting/rating systems.</p> <p>Voluntary commitment:</p> <ul style="list-style-type: none"> - Carbon Disclosure Project (CDP) - Principles of Sustainable Insurance (PSI): voluntary commitment on DRR - Principles of Responsible Investment (PRI) <p>External rating:</p> <ul style="list-style-type: none"> - Dow Jones Sustainability Indices (DJSI) - Ethical Investment Research and Information Service (EIRIS) - Vigeo, leading European rating on ESG issues - US Security & Exchange Commission requirements <p>External rating linked to self-assessment:</p> <ul style="list-style-type: none"> - Global Reporting Initiative (GRI) <p>Findings on GRI:</p> <p>UNISDR Private Sector Working Group 2 is studying the inclusion of DRR/R into GRI, a widely used reporting mechanism, via interviews. Responses to date have indicated that GRI reporters are challenged by the move to G4 and, although they would not argue with the value of having some existing elements of the GRI be credited to DRR and Resilience, they would require very clearly defined metrics for these to be welcome. Regarding amendments to existing categories as well as the addition of a new category, there is less appetite for this (thus far in our interviews). This speaks to Working Group 2's ongoing discussions regarding the competition for attention DRR and Resilience face in corporations large and small.</p>	<p>Para 14 b) "...characteristics, including projected hazard levels over the next century. This requires assessing exposure and vulnerability of assets in the Private Sector through corporate annual reporting, and use of standardized tools such as the Local Government Self-Assessment Tool and City Disaster Resilience Scorecard."</p> <p>Para 18 (new point after d) "Encourage publicly listed companies in promoting DRR practices through annual / sustainability reporting and adopting reporting guidelines by a certifying body."</p> <p>Para 19 e) "... The current HFA Monitor will be enhanced..., including in terms of outcome and output indicators, inclusion of indicators that measure risk sensitivity in both the public and Private Sectors, ..."</p>