

## Private Sector Position on Zero - Draft

The following table shows in the second column what paragraphs in the Zero Draft enable the private sector to implement its Disaster Risk Reduction (DRR) and Resilience (R)- related goals ('enabling wording'). Columns 3-7 show how the relevant paragraphs in the Zero draft relate to the **Five Private Sector Visions** for a resilient future by mentioning key private sector positions and inputs.

**Five Private Sector Visions** (see [Five Private Sector Visions: Detailed Overview](#) and [Five Private Sector Visions: Summary Table](#) for further details)

- Vision 1: Strong Public Private Partnerships drive DRR and Resilience (DRR/R) at the local and at the national level
- 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
- Vision 3: All financial investment decisions, public and private, become risk-sensitive
- Vision 4: Resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies
- Vision 5: Identification and disclosure of risks carried and their proactive management becomes a standard business practice

### I. Preamble

Par.	Enabling wording in Zero Draft Suggested <u>minor refinements</u>	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
3	[D]isasters...particularly affect... <b>small and medium enterprises</b> ...All governments...and <b>businesses</b> are faced with increasing levels of possible hidden costs...				• M/SMEs, women and young entrepreneurs and the informal sector.	• DRR/R as a must-address issue for both large and small corporations, from business standpoint as well as social.
5	[C]ompounding factors, such as... <b>inadequate and non-risk-informed policies</b> . Another mention of businesses?		• Risk-informed policies, e.g. risk-sensitive land use planning and practice; enforced building codes at globally proven norms.	• Financial policy and regulatory environment for the effective embedding of disaster risk stress-tests across the economy.	• Standards of data collection and sharing. • Policy prioritization of DRR/R in corporate policy.	• International policy frameworks draw on corporate disclosure to better monitor global risk and resilience.
6	There is need for public and private sectors to <b>work more closely together and create opportunities for collaboration</b> , and for <b>business to integrate disaster risk into their management practices, investments, and accounting</b> .	• Businesses to become aware of mutual benefits of collaboration and eager to share insights and expertise.	• Integration of local, national and global standards into business strategies.	• Governments collaborate with financial regulators and the insurance industry. • Integrating disaster risk stress-tests in business models.	• Integrating risk in management practices.	• Incorporation of disaster risk management into the central decision-making process of the organization.
9	The concurrent post-2015 processes...provide the international community with a unique opportunity to ensure <b>coherence and alignment across policies</b> ...					• Coherence and alignment will encourage businesses to address DRR/R.

### II. Expected outcome and goal

See separate document - Business and Industry Major Group Summary of Recommendations for Global Targets and Indicators

### III. Guiding principles

Par.	Enabling wording in Zero Draft Suggested <u>minor refinements</u>	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
15 a)	Each state has the primarily responsibility to holistically reduce disaster risk, <b>including through cooperation</b> .	• States draw from leading practices from multi-stakeholder r platforms.	• States seek partnerships with the Private Sector, Science, other stakeholders.			

15 c)	Disaster risk reduction...requires...a clear articulation of responsibilities across <b>public and private stakeholders, including business, to ensure mutual outreach, partnership, and accountability.</b>	<ul style="list-style-type: none"> <li>• Recognition of Private Sector strengths.</li> <li>• Mutual benefits of partnerships; accountability.</li> <li>• Government needs connected with Private Sector resources.</li> </ul>				
15 d)	The leadership and empowerment of local authorities and communities are required to reduce disaster risk, and <b>decision-making powers, resources and incentives require to be allocated accordingly.</b> The <b>enabling and coordinating role of central government is essential.</b>	<ul style="list-style-type: none"> <li>• Private Sector in DRR/R decision-making process.</li> <li>• Government creates legal environment for private sector input.</li> <li>• Partnership with local authorities.</li> </ul>		<ul style="list-style-type: none"> <li>• Governments create the right financial policy and regulatory environment to stimulate risk-sensitive private sector investment and embed disaster risk stress tests across the economy.</li> </ul>		<ul style="list-style-type: none"> <li>• Governments tie in incentives and rewards to corporate proactive reporting and management of risk.</li> </ul>
15 f)	Addressing underlying risk factors through <b>risk-informed public and private investments and insurance mechanisms is more cost-effective</b> than primary reliance on post-disaster response and recovery...		<ul style="list-style-type: none"> <li>• Build better from start, risk-informed investments.</li> <li>• Risk based insurance pricing as a signal</li> </ul>	<ul style="list-style-type: none"> <li>• Risk-informed public private investments.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk-informed investments.</li> </ul>	
15 h)	Disaster risk reduction requires <b>transparent risk-informed decision-making based on open... data, and freely available, accessible, up-to-date, easy-to-understand, science-based, non-sensitive risk information...</b>		<ul style="list-style-type: none"> <li>• Risk-informed decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>• Science enables organizations to evaluate their exposure to natural disasters risk.</li> <li>• Science provides open-source data facilities for catastrophe risk modelling.</li> </ul>	<ul style="list-style-type: none"> <li>• Science collaborates on risk information for accurate risk assessment.</li> <li>• Governments incentivize companies to develop systems for risk information sharing with workforce, customers, the public, and SMEs.</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation of DRM into central decision-making process of organizations.</li> <li>• Risk information via reports.</li> </ul>
15 i)	<b>Disaster risk reduction mainstreaming is critical to the sustainability of development.</b>		<ul style="list-style-type: none"> <li>• Mainstreaming via built environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstreaming via financial system.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstreaming via market forces.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstreaming via corporate behavior.</li> </ul>

IV. Priorities for action - Introduction

Par.	Enabling wording in Zero Draft Suggested <u>minor refinements</u>	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
16	<b>Each State has the primary responsibility...for taking effective measures to reduce disaster risk, including for...infrastructure and other national assets</b> from the impact of disasters.	<ul style="list-style-type: none"> <li>• Businesses rely on public infrastructure, thus motivated in collaboration and partnerships.</li> </ul>				
17	All actors are encouraged to <b>build multi-stakeholder partnerships, at all levels...and on a voluntary basis...</b>	<ul style="list-style-type: none"> <li>• Active participation in multi-stakeholder dialogues.</li> <li>• Identify areas of practical partnership and pursue them.</li> <li>• Existing successful national platforms, public-private marketplaces and outputs used as models for partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• Related sectors in the built environment actively work on developing and using voluntary standards and reporting practices.</li> </ul>		<ul style="list-style-type: none"> <li>• Risk-sensitive public.</li> </ul>	
18	Promotion of a <b>culture of prevention...</b>	<ul style="list-style-type: none"> <li>• Culture of prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Culture of prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Culture of prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Culture of prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Culture of prevention</li> </ul>

**IV. Priorities for action – Priority I: Understanding disaster risk**

Par.	Enabling wording in Zero Draft Suggested minor refinements	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
21	This requires an <b>all-states and all-stakeholders effort...such as...collection, analysis and dissemination of information and standardized data...and the development and sharing of open-source risk models...</b>			<ul style="list-style-type: none"> <li>Open-source data facilities for catastrophe risk information and modelling.</li> </ul>		
22 b)	Systematically survey, record, and publicly account for <b>all disaster losses and the economic...impacts</b>					<ul style="list-style-type: none"> <li>Businesses report and assess risks, take relevant prevention measures transparently.</li> <li>Use of corporate reporting data.</li> </ul>
22 c)	Make... disasters and loss information free, openly available, and accessible, and... ensure <b>real-time access... use ICT innovations to enhance collection, analysis and dissemination of data;</b>	<ul style="list-style-type: none"> <li>Expertise and innovation for local governments.</li> </ul>			<ul style="list-style-type: none"> <li>Expertise and innovation for market demands.</li> </ul>	
22 e)	Promote and improve dialogue and cooperation among scientific communities, including...practitioners, <b>businesses...</b>		<ul style="list-style-type: none"> <li>Collaboration with Science for standards.</li> </ul>	<ul style="list-style-type: none"> <li>Joint research platforms between Science and disaster risk modelling networks in finance and re/insurance.</li> </ul>	<ul style="list-style-type: none"> <li>Private Sector and Science reduce non-resilient activities by citizens / workforce through awareness-raising.</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration with Science for risk metrics.</li> </ul>
22 g)	<b>Strengthen technical and scientific capacity to develop and apply methodologies, standards, metrics and models</b> to assess vulnerabilities and exposure to all hazards...			<ul style="list-style-type: none"> <li>Work with Science on risk metrics.</li> </ul>		
22 h)	Invest in <b>research, innovation and technology</b> and promote a long-term...solution-driven research...	<ul style="list-style-type: none"> <li>Expertise and innovation for local governments.</li> </ul>	<ul style="list-style-type: none"> <li>Expertise and innovation in built environment.</li> </ul>		<ul style="list-style-type: none"> <li>Expertise and innovation for market demands.</li> <li>Smart technology for resilient societies.</li> </ul>	
23 a)	Share and cooperate on the development of science-based and common methodologies and <b>standards for risk modelling and assessment....</b>		<ul style="list-style-type: none"> <li>Shared standards and methodologies.</li> </ul>	<ul style="list-style-type: none"> <li>Shared standards and methodologies</li> </ul>		<ul style="list-style-type: none"> <li>Shared standards and methodologies</li> </ul>
23 b)	<b>[U]se, application...and...access to, information, communication...</b> to support disaster risk reduction at all levels.	<ul style="list-style-type: none"> <li>Expertise and innovation for local governments.</li> </ul>			<ul style="list-style-type: none"> <li>Market demand for DRR/R products and services, including risk information products.</li> </ul>	
23 c)	Promote common efforts in <b>partnership with scientific community and the private sector to establish good international practices</b>		<ul style="list-style-type: none"> <li>Work with Science to set international standards and best practices adaptable at the local level.</li> <li>Develop with Science disaster vulnerability projections for next 25-50 years.</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration with Science for risk metrics.</li> </ul>		<ul style="list-style-type: none"> <li>Collaboration with Science for risk metrics.</li> </ul>
23 d)	<b>[U]ser-friendly systems and services for the exchange of information on good practices, cost-effective and easy-to-use disaster risk reduction technologies.</b> <u>Review existing initiatives and ensure that there is no duplication of effort with ongoing information-gathering and sharing exercises.</u>	<ul style="list-style-type: none"> <li>Private sector active participation.</li> <li>Sharing of good practices and lessons learned, avoiding duplication of efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of good practices and lessons learned, avoiding duplication of efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of good practices and lessons learned, avoiding duplication of efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of good practices and lessons learned, avoiding duplication of efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of good practices and lessons learned, avoiding duplication of efforts.</li> </ul>

**IV. Priorities for action – Priority II: Strengthening governance and institutions to manage disaster risk**

Par.	Enabling wording in Zero Draft Suggested minor refinements	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
25 a)	Promote the coherence of, and further develop...frameworks [to] guide the public sector in...(ii) <b>regulate and provide incentives for actions by...businesses.</b>		<ul style="list-style-type: none"> <li>The right policy and regulatory environment to incentivize resilient business strategies in the built environment.</li> <li>Incentives to support private investment made above building code at national/local levels.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation and incentives as enabling environment.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation and incentives as enabling environment.</li> </ul>	<ul style="list-style-type: none"> <li>Regulation and incentives as enabling environment.</li> </ul>
25 c)	Strengthen <b>mechanisms to monitor, periodically assess, ensure compliance, and publicly report...</b> by all public and private stakeholders		<ul style="list-style-type: none"> <li>Encouragement of corporate reporting that recognizes resilience in the built environment.</li> </ul>	<ul style="list-style-type: none"> <li>National level requirement to report and disclose against disaster risk stress-tests on an annual basis.</li> </ul>		<ul style="list-style-type: none"> <li>National/Local Governments encourage DRR/R corporate reporting.</li> <li>DRR/R reporting feeds into national risk dataset.</li> </ul>
25 d)	Enhance...relevant normative frameworks and mechanisms <b>to strengthen disclosure of and, accountability for, disaster risk</b>		<ul style="list-style-type: none"> <li>Corporate reporting recognizes resilience in the built environment.</li> </ul>	<ul style="list-style-type: none"> <li>Stress tests, regulations for compliance, reporting.</li> </ul>		<ul style="list-style-type: none"> <li>Reporting, transparency, feed into national risk dataset.</li> </ul>
25 f)	Establish or further strengthen <b>all-stakeholder coordination mechanisms at national and local levels, such as national and local platforms for disaster risk reduction.</b>	<ul style="list-style-type: none"> <li>Multi-stakeholder platforms.</li> </ul>				
25 h)	Stimulate...the <b>development of quality standards and mechanisms, including certifications...</b> with the participation of the <b>private sector and professional associations and scientific organizations.</b>		<ul style="list-style-type: none"> <li>Assess with Science building material standards for resilient buildings to withstand 21st and 22nd century hazards.</li> <li>Certification, professional associations.</li> </ul>	<ul style="list-style-type: none"> <li>Standards, certification [via rating organizations].</li> </ul>		<ul style="list-style-type: none"> <li>Development of risk assessment metrics for common approach to corporate reporting by Private Sector and Science.</li> </ul>
26 b)	<b>Foster collaboration and partnership across mechanisms and institutions...</b>	<ul style="list-style-type: none"> <li>Local governments and private sector.</li> </ul>	<ul style="list-style-type: none"> <li>Multistakeholders, especially governments, private sector and Science.</li> </ul>	<ul style="list-style-type: none"> <li>Governments, regulators private and mutual/cooperative sectors, and Science.</li> </ul>	<ul style="list-style-type: none"> <li>General public and businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Private sector and Science.</li> </ul>

**IV. Priorities for action – Priority III: Investing in economic, social, cultural, and environmental resilience**

Par.	Enabling wording in Zero Draft Suggested minor refinements	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
27	<b>Investing</b> ...is essential...Such measures are cost-effective and instrumental...A continued integrated focus on key development areas, such as... <b>financial and insurance risk transfer mechanisms, is required.</b>		<ul style="list-style-type: none"> <li>• Incentivization by private insurance and finance organizations.</li> <li>• Governments remove barriers to risk based insurance pricing.</li> </ul>	<ul style="list-style-type: none"> <li>• Governments review existing financial and fiscal instruments and standards, to apply disaster risk stress-tests across economy based on tools of insurance industry.</li> </ul>		
28 b)	[P]ublic investments in critical facilities and physical infrastructures, <u>including its lifecycle management and management as a system of systems</u> ..., <b>building better from the start</b> ...		<ul style="list-style-type: none"> <li>• Countries implement building better from the start, as well building back better.</li> </ul>			
28 c)	Protect... <b>work places</b>		•		<ul style="list-style-type: none"> <li>• Resilient business practices.</li> </ul>	
28 d)	Give <b>land-use policy development and implementation, including urban planning</b> ... special attention...		<ul style="list-style-type: none"> <li>• Risk-sensitive land use in policy and practice.</li> </ul>			
28 e)	<b>[I]dentification of land zones that are available and safe</b> for human settlement		<ul style="list-style-type: none"> <li>• Risk-sensitive land use in policy and practice</li> </ul>			
28 f)	<b>Encourage the revision of...building codes, standards, rehabilitation and reconstruction practices</b> ...and reinforce the capacity to <b>implement, monitor, and enforce such codes</b> ...		<ul style="list-style-type: none"> <li>• Building codes, standards, enforcement.</li> </ul>			
28 h)	Strengthen the implementation of social safety-net mechanisms to assist the poor and at risk...migrants and <u>SMEs</u> exposed to disaster risk and affected by disasters –inclusion of SMEs necessary somewhere in D. here?				<ul style="list-style-type: none"> <li>• SMEs</li> </ul>	
28 j)	<b>Review existing financial and fiscal instruments in order to support risk-sensitive public and private investments, and promote the integration of disaster risk reduction considerations and measures in economic valuations, supply chain management, investment tracking, cost-benefit analyses, competitiveness strategies, investment decisions, debt ratings, risk analysis and growth forecasts, budgeting and accounting, and the determination of incentives</b>	<ul style="list-style-type: none"> <li>• Risk sensitivity in competitiveness strategies, investment decisions, budgeting and accounting, and the determination of incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk sensitivity in economic valuations, investment tracking, investment decisions, debt ratings, risk analysis and growth forecasts.</li> </ul>	<ul style="list-style-type: none"> <li>• Governments apply disaster risk stress-tests across economy based on tools and experience of insurance industry.</li> <li>• Develop, test and apply incentives for risk-sensitive investment across the financial system.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk sensitivity in supply chain management, cost-benefit analyses, competitiveness strategies, investment decisions, risk analysis and growth forecasts, budgeting and accounting.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk sensitivity in cost-benefit analyses, risk analysis and growth forecasts, budgeting and accounting.</li> </ul>
29 c)	Promote... <b>financial, risk transfer, and risk sharing mechanisms</b> in close cooperation with <b>businesses and international financial institutions</b>		<ul style="list-style-type: none"> <li>• Risk sharing for built environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainstream disaster risk stress tests in business practices, decision-making.</li> </ul>		
29 d)	Enhance the engagement with institutions involved with <b>financial regulation</b> ...to better understand the impacts of disasters on the <b>financial stability of countries, companies, and individuals</b> ...promote <b>key policy developments around financial stability and inclusion</b> .		<ul style="list-style-type: none"> <li>• Regulation institutions, rating countries and companies.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial regulators initiate standards across financial system; reflect disaster risk in capital and accounting.</li> <li>• Governments, financial regulators and insurance create regulatory frameworks for reporting/management of asset exposure.</li> </ul>		

**IV. Priorities for action – Priority IV: Enhancing preparedness for effective response, and building back better in recovery and reconstruction**

Par.	Enabling wording in Zero Draft Suggested minor refinements	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
31 c)	Promote regular disaster preparedness exercises, including evacuation drills, and <u>business continuity management by all businesses large and small, with a view to...</u>	<ul style="list-style-type: none"> <li>Business continuity as part of community's resilience at local level</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity and investment into businesses' built environment</li> </ul>		<ul style="list-style-type: none"> <li>Business continuity management as part of resilient business practices</li> </ul>	
32 b)	[S]tandards, codes, and other guidance instruments...lessons learned...	<ul style="list-style-type: none"> <li>Global partnership</li> </ul>	<ul style="list-style-type: none"> <li>Standards, codes for built environment</li> </ul>			
32 e)	<b>Develop practical guidance and compile good practices to support planning, investments and policy development and decisions.</b>	<ul style="list-style-type: none"> <li>Global partnership</li> </ul>				

**V. Role of stakeholders**

Par.	Enabling wording in Zero Draft Suggested minor refinements	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
33	<b>While States have the overall responsibility...</b> stakeholders play a critical role...	<ul style="list-style-type: none"> <li>Businesses rely on public infrastructure, thus motivated in collaboration/partnerships.</li> </ul>				
34 a)	<b>Business, professional associations, private sector financial institutions, including financial regulators and accounting bodies...to integrate disaster risk management, including business continuity, in business models and practices, especially in micro, small and medium enterprises, engage in awareness-raising and training for their employees and customers, engage in and support research and innovation as well as the full use of technology in disaster risk management, share and disseminate knowledge, practices and data, actively engage with the public sector for the development... quality standards, regulations...policies and plans to incorporate disaster risk reduction</b>	<ul style="list-style-type: none"> <li>Research and innovation, use of technology, share and disseminate knowledge, practices and data, engage with public sector on development of frameworks, policies and plans.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with public sector to develop quality standards, regulations, policies and plans.</li> </ul>	<ul style="list-style-type: none"> <li>Private sector to embed disaster risk stress-tests as part of wider corporate risk management strategies, business models and investment plans.</li> <li>Financial regulators and accounting bodies engage with public sector to develop standards, regulations, policies and plans.</li> </ul>	<ul style="list-style-type: none"> <li>Encouragement of BCM, including supply chain management. Use scenario planning in BCP/BCM.</li> <li>Integration of DRR/R in primary / secondary education curriculum.</li> <li>Train workforce in DRR relevant activities, including with SMEs and community; promote research, innovation and technology.</li> </ul>	<ul style="list-style-type: none"> <li>Streamlining of DRM into existing safety management, climate change mitigation, and/or sustainability operations.</li> </ul>
34 d)	<b>Media to take an active role...in close cooperation with science...</b>				<ul style="list-style-type: none"> <li>Media's role in awareness raising and communication</li> </ul>	

**VI. International cooperation and global partnership**

Par.	Enabling wording in Zero Draft Suggested minor refinements	Vision 1: strong public private partnerships	Vision 2: build better from start	Vision 3: risk sensitive finance system	Vision 4: risk sensitive public and businesses	Vision 5: transparency and full risk picture
38)	Partnerships will play an important role by harnessing the full potential of <b>engagement between governments at all levels, businesses, civil society and a wide range of other stakeholders</b> , ... expertise, technology and knowledge and can be powerful drivers for change, innovation and welfare.	<ul style="list-style-type: none"> <li>Platforms at global level coordinated by international organizations involving the Private Sector.</li> <li>Identify legal barriers to partnership concessions at national and local levels.</li> </ul>		<ul style="list-style-type: none"> <li>Public-private partnerships connect insurance and financial sectors' expertise to improve assessment and management of disaster risk-related financial losses in economically rational way.</li> </ul>		<ul style="list-style-type: none"> <li>Development of common global approach to corporate reporting and international policy frameworks draw on corporate data exposure to monitor global risk and resilience.</li> </ul>