DISASTER RISK REDUCTION PRIVATE SECTOR PARTNERSHIP

Post 2015 Framework - Private Sector Blueprint Five Private Sector Visions for a Resilient Future





"The private sector is the perfect advocate for resilient thinking because of its direct relationship with consumers, customers and suppliers and can steer public demand towards risk-sensitive products and services. A new collaborative approach between governments and private enterprise based on trust will build disaster resilient communities."

Margareta Wahlström
UN Special Representative of the Secretary General for Disaster Risk Reduction



Five Private Sector Visions for a Resilient Future

There is a clear mutual interest for the public and private sectors to work together, as the private sector relies on the resilience of public infrastructure and services to conduct their businesses, and governments and communities depend on resilient business practices for a stable and sustainable economy.

This Position Paper describes the Five Private Sector Visions for a Resilient Future that DRR-PSP envisages as long-term goals to drive risk-sensitive and resilient business practices globally and across sectors and that will support the work of governments and other stakeholders in implementing the post-2015 Framework for Disaster Risk Reduction.

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DRR-PSP's Five Visions for a Resilient Future: A response to a challenge

UNISDR's 2013 Global Assessment Report for Disaster Risk Reduction, the GAR13, challenged the private sector to action:

It's no longer "business as usual": Recent major disasters focused attention on the growing impact of disasters on the **private sector...**

Businesses still display a 'blind-spot' to disaster risk, which is largely ignored.

Private investment largely determines disaster risk: In most economies 70-85 percent of overall investment is made by the private sector...

Disasters directly affect business performance and undermine longer-term competitiveness and sustainability: When business leaves it may never return.

Globalized supply chains create new vulnerabilities... Small and medium enterprises are particularly at risk...

Insurance is critical to business resilience. Yet insurance pricing often does not reflect risk levels or provide an adequate incentive...

Tourism investment in small island developing states comes with high levels of disaster risk ... The competitiveness of these countries, and businesses invested in them will depend on effective disaster risk management...

A new paradigm for disaster risk governance will include the private sector...



The business case for disaster risk reduction

Increase resilience

For every US\$1 invested in resilience and prevention, between US\$4 and US\$7 are saved in response¹

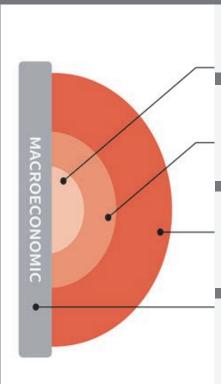
Reduce disaster losses

Large businesses with strong risk management programmes reduced their disaster losses seven-fold compared to other companies

Reduce volatility of earnings

Multi-nationals with best practices in managing their property risks had 40% less volatile earnings than companies with less advanced risk management plans²

Disasters have direct and indirect impacts on business



Direct losses

Complete/ partial destruction of assets and stock

Indirect losses

 Business disruption, supply chain impacts, impacts on clients, partners and suppliers

Wider impacts

 Loss of market share, competitors taking clients, costlier insurance, negative effects on image

Macroeconomic effects

 Higher interest rates, labour shortages, reduced demand of goods and services

Disaster risk reduction adds value to the private sector by ensuring business continuity:

Provides for stable environment

- Reduces the risks of disasters
- Protects the natural resources
- Reduces social and economic vulnerability
- Protects critical infrastructure

Protects employees and their communities

- Reduces health and safety risks
- Reduces vulnerability of communities
- Protects employees' families
- Protects employees' property

Safeguards long-term investments

- Protects manufacturing sites
- Protects warehouses and inventory
- Protects company offices
- Protects company records and archives

Ensures business continuity, competitiveness and sustainability

Five Private Sector Visions for a Resilient Future

Vision 1: Strong Public Private Partnerships drive disaster risk reduction and resilience at the local and national level.

Private sector and other stakeholders can contribute greatly to DRR-relevant decision-making processes at the global/regional/national and local level, and public-private partnerships and other collaborative forms of engagement can take advantage of private sector expertise, products, and services, especially at the local level.

Multi-stakeholder platforms



PPP Governance

Global & Regional	International Organizations and Platforms	 Collect and share leading practices, ideas, and tips from multi-stakeholder platforms
input and recommendations		 Bring together multiple industry sectors to facilitate regular input and recommendations Consider and act on recommendations made
	Private Sector	 Organize and provide collective input Raise awareness among businesses of mutual benefits of collaboration and share insights and expertise
Local	Local Governments	 Draw on Private Sector expertise, products and services for specific problems Get informed about Private Sector expertise, products and services for larger, exploratory issues Periodically engage with local businesses in multistakeholder platforms
	Local Businesses	 Participate in multi-stakeholder platforms Get informed about local government needs Provide expertise, product and services to meet local needs

First steps in implementation – 2015 and beyond



Disaster Resilience Scorecard

The Disaster Resilience Scorecard is based upon the UNISDR Making My City Resilient Campaign "Ten Essentials." It is intended to provide a single integrated perspective on a city's total disaster resilience posture, the connections between the many different aspects of disaster resilience, while also identifying gaps in plans and provisions.

Developed by IBM and AECOM, both PSP members



Initiative MAMA-LIGHT for Sustainable Energy

The Initiative is an Inclusive Green Growth model and uses a bottom-up approach to empower rural areas, women and youth. Working together with traditional authorities and local governments it contributes to make communities and the informal sector more resilient. It is supported by the Dutch Government, UEMOA, ECOWAS, ECREEE, SE4ALL and the UN.

Product and services of AbzeSolar, a PSP member

Vision 2: Resilience in the built environment is driven by the public sector raising minimum standards, and enabling the private sector to work voluntarily towards optimum practices.

The private sector owns, invests in, builds, operates and maintains most infrastructure and the built environment. There is great potential for the private sector's voluntary initiative to be combined effectively with public sector efforts. This may be brought about by an enabling environment built through a combination of standards, certifications, regulations, incentives, compliance, reporting, and other measures.

Build Better from the Start



Resilient infrastructure investment

Global & Regional	International Organizations and Platforms	 Unite governments, the private sector and the science community Work towards setting a degree of consistency in recommended practices and standards
National	Governments	 Ensure risk-sensitive land use Ensure building codes adhere to globally proven norms and are enforced in practice Incentivize Private Sector to raise level of resilience above codes Ensure that risk insurance functions as intended
	Private Sector	 Adopt voluntary practices above minimum building codes Proactively adopt corporate reporting and labeling practices for rating resilience Share experience and expertise Incentivize use of voluntary standards though private insurance, finance, and reporting organizations

First steps in implementation - 2015 and beyond



Green Star Communities

- Internationally recognized built environment rating system
- Targets buildings, neighborhoods and entire communities
- Focuses on environmentally sustainable design, construction and operation
- Implemented in over 760 construction projects

Developed by Green Building Council of Australia in partnership with

AECOM, a PSP member



Tagonishi Green Community

- Disaster resilient, low carbon footprint residential area developed by public-private-academia partnership and use of innovative technology
- Addresses the challenges of new community development by disaster relocated families by public and private sectors working together

Developed by Sendai City and consortium led by

Kokusai Kogyo, a PSP member

Vision 3: All financial investment and accounting decisions, public and private, are risk-sensitive.

It should be economically attractive, as well as necessary, for investors and asset owners (from governments to companies to individuals) to optimize the resilience of their assets. The private sector will take part in the development of a standardized method of assessing, reporting, and communicating the exposure to risk, including financial disclosure rules.

Resilient financial investment



Disaster risk stress-tests

Global & Regional	Regulatory institutions and mechanisms	 Reflect disaster risk in capital regulations and accounting procedures Proactive dialogue and engagement with governments and businesses to support targeted policies on financial stability and inclusion Develop, test and apply incentives for risk-sensitive investment and behavior across the financial system
National	Governments	 Require annual reporting on disaster risk stress-tests Create public-private platforms to promote dialogue between insurance and financial sector and public sector to improve assessment and management of disaster risk Enact financial policies, regulations and fiscal instruments to stimulate risk-sensitive investment
	Private Sector	 Apply disaster risk stress-tests to guide mainstream business practices and decision-making towards resilience Enable institutional investors to make informed decisions Test investments against annual losses associated with disaster risk

First steps in implementation – 2015 and beyond



The 1-in-100 initiative

- Commitment by alliance of public and private sector organizations at the UN Climate Summit in September 2014 in New York to invest in research, preparation and pilot applications
- Resilience Modelling and Mapping Forum to be established

 Joint initiative of UNISDR and several partners, including

Willis, a PSP member



R!SE Disaster Risk-Sensitive Investments

- Overall goal to make all investments risk-sensitive
- Projects through 8 streams of activities: Strategies for global business, risk metrics for economic forecasting, industry sector certification, education, principles for responsible investing, resilience of cities, insurance, and resilience of UN programming.

Joint initiative of UNISDR and several partners, including PSP members Willis, AECOM and AXA

Vision 4: A resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies.

The private sector can affect public perceptions towards resilience via their corporate policies and education of their workforce. Higher public expectations for supply chain and business continuity management will encourage investment and create market demand for products and services that add to resilience, which in turn will encourage further innovation.

Awareness-raising



Education & training

National

Governments

- Provide leadership and collaborate with Private Sector and science community to reduce non-resilient activities
- Promote education and awareness-raising on resilience
- Share insights on DRR and resilience's role and importance in poverty reduction and sustainable development
- Provide and share up-to-date and understandable risk information
- Use appropriate measures to ensure preparedness
- Ensure continuity and resilience of critical infrastructure

Private Sector

- Use Business Continuity Management (BCM) throughout supply chain
- Collaborate with public entities and civil society organizations to ensure better emergency planning in the society and communities
- Systematically conduct resilient investments and decision-making
- Conduct transparent reporting on resilience and share results with public
- Develop innovations, explore inclusive business models and improve existing offer of products, services and expertise in DRR and resilience

First steps in implementation - 2015 and beyond



In Paris, private companies collaborate with a public entity to develop community continuity management plans to mitigate Seine flooding risks

- AXA Headquarters Business Continuity Plan aligned with larger EPTB Seine Grands Lacs disaster management plan
- BCP instructs employees what to do in case of major flooding, includes buildings and supply chain management

AXA is a PSP member



Development Bank of Japan's Business Continuity Management (BCM) Rating

- First DRR, BCM, and prevention rating system in the world
- Objective third-party evaluation, visible to external stakeholders
- Financial incentives tied into the rating
- Extensive line-up of financial products support pre- and post-disaster stages
- Review and improvement in BCM encouraged through monitoring services

DBJ is a DRR-PSP member

Vision 5: Identification and disclosure of risks carried, and their proactive management, becomes a standard business practice.

Disaster risks carried and managed by the private sector must be included in the full picture of risk carried by communities and countries. Corporate social reporting mechanisms can be harnessed for this purpose. An enabling environment, through a combination of standards, certifications, incentives, and other measures, can accelerate this process.

Awareness-raising



Education & training

Global & Regional	Global private- and multi-sector networks	 Ensure international policy frameworks draw on corporate disclosure data as part of their monitoring of global risk and resilience
National	Governments	 Review corporate reporting and rating information to gain a more precise picture of risk and exposure, and identify areas of necessary improvement Get informed about prevention measures taken by local businesses Incentivize corporate risk reporting
	Private Sector	 Assess risks and take adequate prevention measures Report risks and relevant prevention measures in a transparent manner and make reporting accessible to governments, shareholders and customers

First steps in implementation – 2015 and beyond

Rating and reporting on DRR and resilience as part of existing ESG rating and reporting systems Rating and reporting

Financial Environmental, social and governance (ESG)

- Rate financial implications of business operations
- Rate environmental, social and governance (ESG) impacts of businesses operations
- Instrumental in ensuring corporate resilience
- **Private Sector Vision 3**
- Efforts underway to find ways to integrate DRR and resilience into existing reporting and rating systems
- ESG reporting and rating systems:
 - Global Reporting Initiative (GRI)
 - o Dow Jones Sustainability Indices (DJSI)
 - Principles of Sustainable Insurance (PSI)
 - o Principles of Responsible Investment (PRI)



See Chapter 2 "Global overview on the role of the private sector in disaster risk reduction: scopes, challenges, and potentials" (authored by DRR-PSP) in Izumi, T and Shaw R (Eds.)

Disaster Management and Private Sectors: Challenges and Potentials. Springer, 2015

DRR-PSP's Voluntary Commitment on the Five **Visions**

In February 2015, DRR-PSP conducted a member survey, which produced a 30% response rate (n=24) out of 80) from DRR-PSP members in Accounting & Finance, Advisory, Consulting & Training, the Built Environment, Engineering, Insurance/Reinsurance, ICT, Data & Modeling, Energy, Tourism and Transport from all global regions.

From the survey responses, DRR-PSP produced a voluntary commitment towards the implementation of the post-2015 Framework on the occasion of the Third UN World Conference for Disaster Risk Reduction, which is summarized below. On the following pages, the commitment for each of the Five Visions is featured, and DRR-PSP members' plans to contribute to the implementation of the voluntary commitment, both through DRR-PSP and via their business activities, are highlighted.

Vision 1: Strong Public Private Partnerships drive disaster risk reduction and resilience at the local and national level.

Community toolkit by 2016

Portfolio of incentives by 2016

PPP online marketplace 2017

Recovery template by 2017

Vision 2: Resilience in the built environment is driven by the public sector raising minimum standards, and enabling the private sector to work voluntarily towards optimum practices.

Insurance as tool and reward

Financial risk reporting

Role models above code

Aid and codes Hazard maps

PS guide 3rd party audit

Grass-roots initiatives

Vision 3: All financial investment and accounting decisions, public and private, are risksensitive.

Stress tests in key sectors &countries

Portfolio of incentives

Dialogue, knowledge-sharing in risk assessment

Vision 4: A resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies.

Annual national forums by 2018

Sector based and localized knowledge by 2020

BCMs for SME by 2018 Representational PSP by 2020

Vision 5: Identification and disclosure of risks carried, and their proactive management, becomes standard business practice

DRR/R disclosure pilot by 2018

Local/national government Five Visions pilot by 2017

Framework & tools pilot by 2016

Framework, tools & outreach to SMEs pilot by 2016

DRR-PSP Voluntary Commitment - Vision 1

Vision 1: Strong Public Private Partnerships drive disaster risk reduction and resilience at the local and national level.

Just as there are no resilient businesses without resilient communities there are no resilient communities or human environments without resilient businesses and supply chains. The private sector and public sector have a shared stake in building disaster resilience and must work together to plan for, respond to and recover from disasters due to nature or human activity. Achieving synergy between governments, communities and private enterprise will require a new approach to build trust and cooperation. This Vision will focus on local and national governments who will provide the coordinating leadership. Actions to achieve Vision 1 objectives include:

Community toolkit by 2016

(1) Develop a framework for comprehensive disaster planning that addresses infrastructure asset management and natural vulnerability based on type of disaster, private sector businesses in the community, and community physical setting. This tool will be used to bring together the public and private sector to develop actions to prepare for probable risks and respond to events. The tool is expected to be available through UNISDR. Expected timeline for implementation: by June 2016.

Portfolio of incentives by 2016

(2) Develop a portfolio of incentives (tax credits, insurance premiums, etc.) and financing mechanisms for the private sector that encourages investments and actions to improve community resilience; including green climate funds. Expected timeline for implementation: by December 2016.

PPP online marketplace 2017

(3) Develop a process and procedure to document best practices in planning, response and recovery actions for natural disasters. This will be a web-based platform that the public and private sectors can easily complete and will be made available to all governments and private sector business units through UNISDR. This will include a mapping process to integrate local business continuity plans with local and national plans to allow for a comprehensive community plan. Expected timeline for implementation: by June 2017

Recovery template by 2017

(4) Develop a community planning template for coordination of recovery actions which will be based upon the type of disaster threat, local composition of private sector business units, and public sector components that prepare and rehearse for rapid recovery after a natural disaster. Expected timeline for implementation: by June 2017

"There is a clear mutual interest for the public and private sectors to work together."

Business and Industry Major Group Statement 1st Preparatory Committee Meeting for the Third World Conference on Disaster Risk Reduction

DRR-PSP Voluntary Commitments - Actions of PSP members

Vision 1: Strong Public Private Partnerships drive disaster risk reduction and resilience at the local and national level.

	and resilience at the local and national level.		
Industry	Contribution as PSP member	Contribution in business activities	
Advisory, consulting and training	 Testing of communication and consulting methods in region of operations. Various risk solutions. Help define action plans and KPIs Training and awareness workshops. In country platform and conduit as between PSP and companies in that country. 	 Pursuit of PPP to address resilience in region of operations. "Life reconstruction" service using master database of victims' records. Match solution providers with demand. Share solutions from country of origin. 	
Built environment	 Influencing commercial and industrial tenants to work with government. Building on in-country partnership with Red Cross as a model for other locales. 	 Building resilient properties – going beyond the minimum Product development. Work with resilient homes groups. 	
Data and modelling	 Training for government officials Validation of emergency response plans Advice on risk measurement and management. Policy recommendations. Advocacy for resilience. 	 Participate in resilient city forums and activities. Customize and adapt products to city needs. Enabling free access to probabilistic modeling platform. 	
Development finance	 Promotion of in-country DRR alliance as collaboration platform. 	 Becoming hub for industry/public sector /academic alliances in country. 	
ICT solutions	 Organize in country PSP activities and link with global activities. 	 GIS integration across government departments, for better resilience management. 	
Insurance	 Finance research into PPPs. Implement PPPs for risk coverage. Promote sharing of data with governments. Share knowledge and expertise of PPPs. Expertise and financial capacity for resilience projects. Cooperating within PSP to improve risk assessment, financial regulation and accounting and insurance systems. Various risk solutions Advocacy for DRR/R. 	 Improved NatCat and underwriting tools, especially for climate risk. Lobby for financial regulations to encourage investment in resilience. Promote investments in resilient buildings and infrastructure. Regional expansion. Multiple PPPs focused on resilience. Catalyst for inter-sector dialog on risk management and financial issues. Expansion of own DRR activities. In country and in region promotion of role of financial sector in DRR/R. Information dissemination. 	
Tourism	Advocacy to tourism sector in country of operation.Participation in local DRR committees.	 Supporting development of crisis management plans in localities. Consultation to tourist businesses. 	

DRR-PSP Voluntary Commitment - Vision 2

Vision 2: Resilience in the built environment is driven by the public sector raising minimum standards, and enabling the private sector to work voluntarily towards optimum practices.

The built environment is society's front line of defense against natural hazards. When it fails all else becomes vulnerable. It is also society's largest investment. It accounts for most of the economic losses of disasters and the figures are climbing. Over the coming quarter century in the developing world, but also in aging developed nations, it will be the largest area of public and private investment. Over 80% of it already is private. If this investment fails in resilience and has to be built twice, it will have enormous human, economic and environmental consequences.

Both establishing and enforcing minimum standards that set the bar high enough, and creating incentives that motivate the private sector to exceed these standards, is essential to achieving a resilient built environment. There is much that countries can learn from each other's successes and failures in this regard. Some of the most expensive catastrophes of the built environment are occurring in the developed world, such as the US.

Achieving this will not be easy, as there are deeply ingrained habits and practices in place that resist change. In order to succeed, change-drivers in the public and private sector will need to partner more closely in the future. Proposed actions over the next 3 years in various parts of the world by a range of private sector entities include:

Insurance as tool and rewar	(1) Use insurance as a vehicle to share risk information, help develop risk zones, test building standards and more explicitly reward resilience.
Financial risk reporting	(2) Use financial risk reporting as a motivator to invest above codes.
Role models above code	(3) Create success role models by investing above codes in our own businesses.
Hazard maps	(4) Assist international organizations in improving and communicating hazard maps.
Aid and building codes	(5) Incorporate building code reviews into international aid project scopes.
Private sector guide	(6) Develop and publish a private sector guide on resilience and investment in the built environment.
3 rd party audit	(7) Develop 3rd party building resilience audit and inspection capabilities.
Grass-roots initiatives	(8) In the residential segment develop and expand grass-root initiatives to build above codes in hazard prone areas.

DRR-PSP Voluntary Commitments - Actions of PSP members

Vision 2: Resilience in the built environment is driven by the public sector raising minimum standards, and enabling the private sector to work voluntarily towards optimum practices.

Industry	Contribution as PSP member	Contribution in business activities
Advisory, consulting and training	 Support for publication of PSP member's book on resilience in the built environment. Participation in standards setting 	 Convening and facilitating innovation sessions focused on DRR/R (also as part of R!SE). 3rd party audit and inspection.
Built environment	 Influencing commercial and industrial tenants to work with government. Promote best practices in country of operations. Implementation of specific programs in home country as examples for others to follow. 	 Building resilient properties – going beyond the minimum. Tool to aid corporate volunteering for disaster response.
Data and modelling	 Advise UN project on global hazard maps. 	Produce publicly available hazard maps.
Development finance		 Provide financial incentives to encourage businesses in country to invest in disaster resilience.
ICT solutions		 Building code reviews in countries as part of overseas aid projects.
Insurance	 Turn sustainable insurance concept into action. Promote better building standards by devising means of having their impact reflected financially. Support development of new building codes. Sharing scientific research findings, engineering and product testing standards 	 Help develop improved risk zoning and building codes. Help develop early warning systems and prevention plans Help create network of Chief Risk Officers. Reflection of building code adequacy in insurance premiums.
Tourism	Advocacy to tourism sector.Participation in local DRR committees.	 Supporting development of crisis management plans in localities. Consultation to tourist businesses.

"The focus in the built environment should be on building better from the start."

Business and Industry Major Group Statement, Open-ended Informal Consultations in the Preparatory Process for the Third World Conference on Disaster Risk Reduction

DRR-PSP Voluntary Commitment - Vision 3

Vision 3: All financial investment and accounting decisions, public and private, are risk-sensitive.

Financial aspects are of great importance in Disaster Risk Reduction and Resilience (DRR/R). Priority Action 4 under the Hyogo Framework, "Reduce the underlying risk factors", has been a major concern within the disaster risk community over the last ten years.

A key driver in the next decade to address the scale of loss in livelihoods and assets will be public and private investment and accounting activities, and how these define and enforce resilient processes across nations, communities, and companies. Addressing underlying risk factors through risk-informed and risk-sensitive public and private investments is more cost-effective than primary reliance on post-disaster response and recovery. Both the public and private sectors play a critical role in changing the status quo around the lack of visibility of disaster risk in current investment and accounting activities, and to sensitize relevant entities to this issue. Actions to achieve this include:

Stress tests in key sectors &countries

(1) Drive the integration of disaster risk and resilience into the financial and accounting system through the 1-in-100 Initiative to identify new and existing public, private, and mutual mechanisms for measuring and accounting for risk in investments. This could involve collaboration with existing initiatives on risk-sensitive investments to sensitize governments and key sectors in both developed and developing countries.

Dialogue, knowledge-sharing in risk assessment

(2) Develop a portfolio of financial incentives to improve resilience, including driving the application of disaster and climate risk stress-tests - based on the model developed by the insurance sector - across public, private and mutual sectors; advocating for the reflection of the level of disaster risk in the cost of capital, to allow those entities with enhanced resilience to borrow at lower interest rates; and exposing resilience as a critical factor in the financial stability of economies through enhanced engagement with financial regulators.

Portfolio of incentives

(3) Facilitate international dialogue amongst public, private and mutual sectors to develop a framework for improved modalities of cooperation and knowledge-sharing in the fields of risk assessment, evaluation and modelling; financial regulation and accounting; and insurance systems. This will contribute to expanding risk and financial management services across multiple sectors and promoting catastrophe modelling in new regions.

"I cannot help thinking that the disclosure of disaster risk on companies' balance sheets and indeed those of nations would certainly concentrate the mind."

His Royal Highness, The Prince of Wales Financial and Private Sector Disaster Resilience Global Summit, June 2014



DRR-PSP Voluntary Commitments - Actions of PSP members

Vision 3: All financial investment and accounting decisions, public and private, are risk-sensitive.

Industry	Contribution as PSP member	Contribution in business activities
Built environment	 Promotion of risk transfer in a specific country. Development of resilient infrastructures. 	• Ensure that all business partners are engaged in DRR/R
Data and modelling	 Continued development of risk modeling product set. Advice on implementation and use of risk modeling. 	 Expansion to new regions of high resolution multi-hazard models. Adoption and promulgation of others' models through own modeling platform.
Development finance		 Promotion of applicable financial schemes in- country of operations.
Insurance	 Provide expertise in NATCAT stress testing. 	 Integration of risk disclosure into financial oversight processes.
	 Continued leadership of 1 in 100 initiative and R!SE. 	 Formulate and promote standard international metrics on climate risk and exposure.
	 Organize PSP sub-group to support these – so helping make PSP members aware of impact of financial mechanisms on economic stability effects of disasters. 	 Ensure that financial and insurance regulation enables investments in sustainable development technologies. Expansion of risk evaluation and financial management services in multiple sectors, public
	 Advice on direction taken by PSP and establishment of voluntary commitments. 	 and private. Continued deployment of own risk management process.
		 Developing ways to reflect specific measures taken by individual clients to reduce their risk.



DRR-PSP Voluntary Commitment - Vision 4

Vision 4: A resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies.

To realize Vision 4, DRR-PSP will engage at four levels: the companies themselves; associations at the industry or country-level; communities in which companies operate; and the global discussion. PSP will engage in the following activities to implement Vision 4:

Annual national forums by 2018 (1) Organize new, or strengthen existing private sector forums, conferences, and seminars at the national level, held at least once a year, to educate companies to: adopt resilient business practices and risk-sensitive business decision-making; and facilitate adoption by disseminating knowledge, tools, and practices identified through Visions 2, 3 and 5. We commit to begin the above in countries in which our members have strong on-going efforts (such as Japan, the Philippines, Canada, and India) in 2016; and expand to at least 10 countries by 2018. These efforts will be, wherever possible, multi-stakeholder and multi-sectoral.

(2) Approach industry associations, as well as chambers of commerce at the national level to accelerate business resilience and risk-sensitive decision-making in key sectors; adapt and "localize" the knowledge, tools, and practices identified through Visions 2, 3 and 5 where necessary towards this aim. We commit to begin the above in 2016 amongst the Insurance, Financial, Tourism, Engineering and Construction, Information and Communication Technology, Energy, Real Estate and Retail sectors in which we already have member strengths; and in countries or regions in which members are represented. Following this, DRR-PSP aims to expand the above-mentioned activities to address all sectors identified or named in the post-2015 framework and its monitoring and reporting framework, and expand geographically by 2020. Specific targets for 2020 will be set by 2018.

(3) Develop and implement projects that support the growth of community resilience at the local level, focusing on business continuity planning of SMEs and local businesses, employee training and education, and outreach to the wider communities in which our members operate in to implement awareness-raising, training and risk assessment, and risk reduction capacity-building. We commit to 5 projects being initiated by DRR-PSP members by 2018.

(4) Grow our organization to ensure that we can credibly represent the entire private sector, in support of UNISDR and in global discussions on disaster risk reduction and resilience, in order to serve as a conduit between global discussions and corporate, sectoral, community and national level efforts as described above. To this end, we commit to double our membership by 2017; establish formal relationships with existing major global private sector networks such as the World Economic Forum, UN Global Compact, and the International Chamber of Commerce by 2017; establish local networks in at least 5 countries and/or regions by 2017 and more by 2020; and become a resource and partner for national platforms and governments conducting post-2015 framework monitoring, much like Canada's National Platform for Disaster Risk Reduction Private Sector Working Group, by 2020. Specific targets for 2020 will be set by 2016.

DRR-PSP Voluntary Commitments - Actions of PSP members

Vision 4: A resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies.

Industry	Contribution as PSP member	Contribution in business activities
Advisory, consulting and training	 Encourage private sector to expand safety discussions and develop materials to support these discussions. Share knowledge of DRR/R. Training and coaching 	 Build DRR/R awareness, support coherence and include in discussions and frameworks when working with clients. Stakeholder seminars to establish business continuity plans and disaster plans. 3rd party accreditation and auditing to ISO 22301
Built environment	 Building resilient properties. Promote PPP in country of operations. Enabling sustainable development and community empowerment. 	• Creating forums and conferences on resilience issues in region of operations.
Data and modelling	 Training for government officials Validation of emergency response plans Development of methods for communication and measurement of disaster risk 	 Participate in resilient city forums and activities. Customize and adapt products to city needs. Communication of methods for risk reduction.
Development finance		 Research and proposals on effective strategies and approaches, and utilizing schemes which promote initiatives by private sector.
Energy	 Lead by example in their markets. (Also applicable to the other Visions) 	 Sale of sustainable energy products. (Also applicable to the other Visions)
ICT solutions	Act as PSP lead in region and in country.	Continue existing engagements to raise citizen awareness, and promote this to other local governments in country and globally.
Insurance	 Turn sustainable insurance concept into action. Share expertise on disaster prevention. Risk mapping and modeling. Supporting changes to financial regulation and accounting standards. Supporting initiatives to improve insurance penetration. Share knowledge of DRR/R. 	 Promote PPP aimed at prevention, behavioral change and education. Advise small and medium enterprises on business continuity planning. Development of disaster insurance services – focus on losses and speed of post event recovery. Stakeholder seminars to establish business continuity plans and disaster plans.
Tourism	 Advocacy to tourism sector in country of operation. Participation in local DRR committees. 	 Supporting development of crisis management plans in localities. Consultation to tourist businesses.

"I envision a future where society itself is more risk-sensitive, rewards responsible business behavior... and encourages the innovation of resilient solutions through market forces."

Sandra Wu, CEO and Chairperson of Kokusai Kogyo and Chair of UNISDR PSP Video message for Top Leaders Forum, Manila, Philippines 2014

DRR-PSP Voluntary Commitment - Vision 5

Vision 5: Identification and disclosure of risks carried, and their proactive management, becomes a standard business practice.

Determining the types of disaster risks and identifying those that can and should be disclosed as standard business practice is at the center of this set of commitments. The commitments outlined here will be carried out through strong engagement, collaboration, knowledge-sharing, and close coordination across the other four Visions. This collaboration and knowledge-sharing will extend to national, regional and international regulatory bodies and certification organizations, local and national governments, and the private sector in those industries and locations where there is growing pressure and/or a strong on-going, or intended effort for disclosure. The actions to implement Vision 5 are:

DRR/R disclosure pilot by 2018

(1) Develop and test the business case for DRR/R disclosure to help increase understanding and acceptance of this as a standard business practice. Timeline for implementation: by 2018, then ongoing.

Local/national government Five Visions pilot by 2017

(2) Working cooperatively across the Five Private Sector Visions and with one or two local or national governments to help develop, integrate and align the standards, reporting, and auditing systems for full implementation of Vision 5 by mid-2017. Timeline for implementation: expanded targets for 2020 will be set in 2018.

Framework & tools pilot by 2016

(3) Develop a recommended framework and tools for voluntary DRR/R disclosure of private companies to leverage best practices and work collaboratively with relevant organizations, industry associations and/or local and national governments with the aim to develop relevant standards and certifications. DRR-PSP aims to coordinate with many of the organizations, industry associations and/or local and national governments that Visions 1 and 4 will focus on. Timeline for implementation: pilot by mid-2016, scale up by 2020.

Framework, tools & outreach to SMEs pilot by 2016

(4) Develop a recommended educational framework and/or tools for DRR/R transparency for corporations and organizations to use throughout their supply chains in order to reach SME's. This approach will also allow leveraging best practices and working collaboratively to align with relevant local and national governments and/or industry associations to develop relevant standards and certifications at the local level. Timeline for implementation: pilot by mid-2016, scale up by 2020.

DRR-PSP Voluntary Commitments - Actions of PSP members

Vision 5: Identification and disclosure of risks carried, and their proactive management, becomes a standard business practice.

Industry	Contribution as PSP member	Contribution in business activities
Advisory, consulting and training	 Help in developing tools and methods for building risk profiles that recognize DRR/R. Participate in defining standards. Training, coaching and consulting. 	 Scenario modelling tools. 3rd party audit and accreditation Training, coaching and consulting.
Built environment Data and	 Influencing business partners to address DRR/R issues. Risk management programs. Advice to other corporations based on their own practice. Risk modelling. 	 Continue high level of risk management and sustainability reporting. Risk mapping. Delivery of risk information at higher
modelling Insurance	 Support for developing methods for identification, disclosure and management of risk; and for rewarding such activities. Continue existing work to promote data transparency and uniform definition of risks. Collaboration on specific flood risk management and abatement projects (including engineering expertise). Sharing of findings and results. 	 Promoting risk-based management with clients. Leadership of 1 in 100 initiative. Helping clients with identification, disclosure and management of risks.
Tourism	Advocacy to tourism sector in country of operation.Participation in local DRR committees.	 Supporting development of crisis management plans in localities. Consultation to tourist businesses.

"We expect public reporting and other mechanisms to provide for an enabling environment where an even wider private sector is encouraged to adopt risk-sensitive behavior."

Business and Industry Major Group Statement 2nd Preparatory Committee Meeting for the Third World Conference on Disaster Risk Reduction

Five Visions - From Visions to Actions

Four common themes emerge from DRR-PSP members 'proposals to implement the Five Visions. The themes of 'The Built Environment & Resilient Investing', 'Education & Awareness', 'Collaboration (Convener)' and 'Accountability' will inform the development of the strategy needed to act on and implement DRR-PSP 's Commitments.

The Built Environment & Resilient Investing

As one of the most inclusive themes which also exhibits a high sense of urgency, the built environment has the attention of those in the following PSP industries: construction, infrastructure, engineering, finance, banking, insurance, building materials, science, modeling, tourism, energy, utilities, telecommunications, consulting, advisory & training. There are tremendous positive implications for multiple geographies, PPP's and SMEs within this theme. Moreover, DRR/Resilience in the built environment is becoming more understood as the frontline to reducing losses from disasters.

From crumbling, aging infrastructure -- often associated with cities in the developed world, to the rapid construction of entirely new megacities spurred on by population growth and urbanization – PSP members now see this as one of the most critical periods in recent history for those with the capabilities, responsibility and the power to design, plan and build, to do so with resilience. This theme has attracted a number of intense commitments categorized as:

- Risk-sensitive investing;
- Standards and/or framing resilience in code setting;
- Examining insurance premiums for risk adequacy;
- Moving beyond codes;
- Working with banks and governments to set aside reserves/risk capital for risk exposed investments and assets

From a resource perspective, The Built Environment/Resilient Investing has the edge. PSP finance members are in more advanced stages of refining their actions and developing guidelines or operating principles, such as Principles of Resilient Investing, that can help influence or drive DRR/Resilience into and across capital processes.

Within the PSP commitments, finance, insurance and banking are working closely with science, engineering and modeling to develop, test and share DRR/Resilience knowledge, data, facts and best practices. The intent is to intensify this in order to produce more publicly available information such as available hazard maps and building code reviews.

Some regions have existing programs, standards and governance for resilient investing. In Africa, for instance, government investments are risk sensitive. Indicators (including a number of private sector indicators) are in place, and international/regional support for countries and local authorities are in place. So organizations like the Climate for Development in Africa, http://www.climdev-africa.org/ mandated by all African countries and the African Risk Capacity, www.africanriskcapacity.org/ a Specialized Agency of the African Union (AU) to help Member States improve their capacities to better plan, prepare and respond to extreme weather events and natural disasters, play an important role in exchanging knowledge and experience.

The UNISDR Resilient Cities campaign has over 2400 signatories around the world. A Resilient Cities Scorecard, developed for the UNISDR by AECOM & IBM is being tested in situ and is capable of scoring resilience at both the public and private sector levels. Resilient Cities and the Resilient Cities Scorecard can serve as a critical platform to drive or enhance resilience at a number of levels – particularly with regards to what happens in the built environment. It can serve as a focal point for DRR/Resilience awareness building and education, and a catalyst for cross-sectorial collaboration and PPP innovation.

Education & Awareness

Several action items across all Five Visions Commitment Statements either rely on education and awareness for delivery or are themselves tools, frameworks or platforms for awareness -building and education.

For this reason, this theme can be approached as *the leading theme*. And, because it is critical to the successful implementation of all the commitments it is considered cross-cutting. The questionnaire input clearly showed that the lack of DRR/Resilience understanding and education runs across all audiences and if not delivered upon, will stall progress and blunt success.

PSP member industries contributing to this theme include advisory, research, training and consulting, but commitments can also be seen amongst manufacturing, engineering, energy, insurers, modeling and tourism. These industries introduced commitments that center on building awareness and education for specific groups such as across tourism or creating learning forums for children, developing training programs for 3rd party audits and accreditation, providing information on risk modeling, scenario planning, and amassing and sharing best practices.

Asia, Africa and Latin America have a number of existing mechanisms and programs for resilience awareness building and education. The PSP is committed to seeking out and working with these organizations in order to learn, share and grow.

Collaboration (Convener)

Responses to the Five Visions questionnaire indicated that high levels of public-private and multi-stakeholder collaboration are needed in order to implement solutions for DRR. For PSP members, this goes well beyond coming to the table and having discussions. They are considering collaborations that will lead to improved community engagement, industry-wide resilience (in tourism, for instance), new business models, and product and service innovations at every level from how we share and cooperate pre-, during and post-disaster to how we design and build resilient cities.

Nearly every respondent implicates collaboration. Specifics include collaborations that are expected to lead to sharing best practices; developing, regionalizing or globalizing standards or guidance for supply chain resilience, improved disaster response, modeling and sensing, business continuity planning and even innovative approaches to PPP's.

Accountability

Insurance and finance lead in their references to the types of outcomes that are most likely to yield metrics and support increased levels of accountability. PSP respondents indicated through their commitments, a willingness to both be held responsible and to assist or drive the means by which they and others can be held accountable. Commitment areas that are expected to yield metrics and drive accountability include:

- Resilience building
- The formulation and promotion of standard international metrics on climate risk and exposure
- Expansion of risk evaluation and financial management services in multiple sectors, public and private
- Improving risk zoning and building code and encouraging building beyond codes
- DRR/Resilience 3rd party audit and inspection
- Risk management and reporting and disclosure

PSP commitments are in place that will enable members to develop and define sound metrics and accountability as well as a clear Private Sector roadmap for risk reduction and resilience.

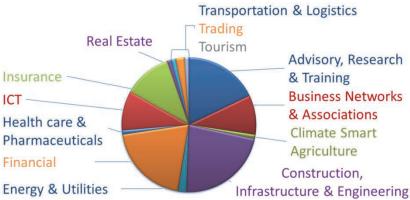
About DRR-PSP

UNISDR Disaster Risk Reduction Private Sector Partnership (DRR-PSP) is the private sector stakeholder group for UNISDR. We are a voluntary group of 95 businesses from 37countries¹ and diverse sectors that work with UNISDR to drive solutions for resilient and disaster risk-sensitive private sector activities.

PSP members location of headquarters¹

PSP members by industry sector¹





Full list of PSP members¹

AbzeSolar S.A.	Hernandez Golvan y Cia S.C.	Pasco
Adcon Telemetry	Hindustan Construction Company Ltd	PATA
AECOM Technology Corporation	IBM Canada	Portland Cement Association
Assessores, S.C.	IBM Japan	Quinones Espejel y Asociados, S.C.
AXA	Infrastructure Development Institute	Ramirez Aguirre y Ga S.C
BJD Reinsurance Consultancy	In Ovations Holdings Inc	Ramirez j Jimenez Contadores Abogados y Asesores, S.C.
C&G Consulting – Training	InterRisk Research Institute & Consulting Inc.	Resilience Guard
CAEM	ISG ILLUMINATION SYSTEMS, LLC	Risk Management Solutions (RMS)
Caribbean Office of Trade & Industrial Development Ltd.	Japan Bosai Platform	Rodrigues Zachera Y Asoc
Castillo Zumaya S.C.	Japan Conservation Engineers	Royal HaskoningDHV
Castro Parra & Associados	Japan Innovation Network	Servicont Contadores Publicos Asociados
CEMEX Mexico	Japan Tourism Marketing	Shimizu Corporation
Concrete Joint Sustainability Initiative	Keidanren (Japan Business Federation)	Singapore Business Federation
Consejo Colombiano de Seguridad	Keyfiat Sazan	SM Prime Holdings
Consulting & Training Agency S.A.L.	Kokusai Kogyo	Small Equity Initiative
CSR Asia	Kozo Keikaku Engineering	Smart Leveraging Consult Ltd
Deloitte	LMI International Corporation	Sociedad Auditora Weis Asociados S.C.
Despacho Florez Vega y Cia S.C.	Loxley PCL	Sompo Japan Nipponkoa
Development Bank of Japan	Marhnos	Sure House
EDP – Energias de Portugal S.A. (Fundação Energias de Portugal)	Marsh S.A.	T3 Risk Management SA
Euroconsult International	MASA Group	Titan America
eVigilo	MHPTV	Tokio Marine & Nichido Fire Insurance
FeBAF	Mind Alliance Systems, LLC	Tudor Rose
Field Secure	Mission Risques Naturels (MRN)	UC&CS Globals de R.h. de C. V
Fluor	Mitsubishi Research Institute	Unified Messaging Systems (UMS) AS
FM Global	Mitsui Sumitomo Insurance Co., Ltd.	United Consulting Services, S.C.
Forum Empresa	Moises Solares Arenas	UPS
General Insurance Association of Japan	Munich Re	WeatherRisk Explore
Georisk International	Nasco Karaoglan France	Weir-Jones Engineering Consultants ltd.
Gerser Contadores Publicos S.C.	NEC	Wellthy
Giken	Nikken Sekkei	Willis
Glaxo Smith Kline (GSK)	NTTDATA	¹ As of 24 February 201

DRR-PSP's Activities and Outputs from 2011-2015

UNISDR long understood the importance of the private sector in DRR, and invited 14 individuals to form a Private Sector Advisory Group (PSAG) in 2010. The PSAG decided to start up a larger partnership, the DRR-PSP in 2011, so that more companies could join the effort and drive solutions for resilient and disaster risk-sensitive private sector activities.

DRR-PSP is taking the lead in developing mechanisms and solutions for resilient and disaster risk-sensitive private sector activities. Private sector members contribute to UNISDR's mission to enhance resilience and further disaster risk reduction by bringing their knowledge of risk anticipation, risk management expertise and business initiatives in disaster mitigation.

PSAG guides private sector activities on disaster risk reduction and resilience and advises UNISDR on substantive questions by contributing private sector expertise and experience to disaster risk reduction and resilience programmes, and is also the governance body of DRR-PSP. PSAG brings together leading global private sector actors who are aware of the benefits preventive actions have to their businesses and work with UNISDR to make the world more resilient to disasters.



Dec 2010 - Jan 2011: PSAG called together

First private sector roundtable

First private sector meeting

June: 'Statement of Commitment by the Private Sector for Disaster Prevention, Resilience and Risk Reduction', and the 'Call for Action: Five Essentials for Business in Disaster Risk Reduction' is

Disaster Risk Reduction' is composed.

July: DRR-PSP set up

Sep: PSP participation in APEC Meeting

Nov: Several subgroups set up for activities

First flier: Business partnerships: disaster risk reduction is everybody's

business published

Feb: PSAG participation at **PPP Days** with UN, WBI, ADB

Feb: PSAG debate on risk in relation to the private sector

June: Rio+20 Corporate Sustainability Forum

Sep: **Top Leaders Forum,** Philippines

Oct: **5th AMCDRR's**Yogyakarta Declaration **private sector statement**

Nov: Annual Meeting and EPTB Seine Grands Lacs Forum

'Is your Business Disaster proof?' publication

Global Platform 2013:

Opening day plenary session Private Sector for Resilient Societies: Ingredients for Success

GAR13 with business focus Global PSP case studies & Japanese case studies published

May: R!SE launch

Oct: PSP reorganized into 5

Working Groups.

Nov: **Top Leaders Forum,** Philippines

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Dec: Quarterly PSP Bulletins begin

Jan: **PSP presentation** at UN General Assembly

Feb: **DRR Workshop**, India

Mar: Resilient Cities Scorecard

Mar: **HFA II Online Dialogues**

May: Europe Business Summit

May: Africa & Americas

Platform

June: 6th AMCDRR & Pacific

Platform

June: UN Global Compact Japan DRR study group

June: Finance Summit, UK

June: Resilience Index

July: SDG-CCA-DRR briefing kit

by PSP

July: PSP Annual General Meeting, PrepCom1

Sep-Oct: Informal consultations

on HFA II

Oct: Joint publication on monitoring targets for DRR

Nov: Top Leaders Forum,

Philippines

Nov: 1-in-100 initiative

Nov: PrepCom2

Jan: UNISDR workshop on BCM

Feb: Japan PSP meeting

Academic publication with **PSP chapter**,

E-book on resilient built environment;

Resilient Market Place

platform to connect local governments and private sector expected to be

announced



2011





2012 2013 2014 2015



What are the Benefits of joining DRR-PSP for Private Companies?

- ✓ Partner with UNISDR to influence and mobilize decision-makers to advocate disaster risk reduction as a national priority in the political agenda
- ✓ Strengthen your Public Private Partnerships
- ✓ Network with disaster risk reduction partners globally and in your local area
- ✓ Connect with global, regional and local resilience initiatives
- ✓ Access to expertise, data and up-to-date information on DRR issues to help you better understand your risks
- ✓ Access to DRR materials and presentations through the member-only DRR-PSP website.
- ✓ Access to international, regional and national DRR platforms and forums to promote and share best practices, expert knowledge and products related to DRR
- ✓ Opportunity to showcase your DRR activities and successes through DRR-PSP communications

Learn more about the benefits of joining DRR-PSP: http://www.preventionweb.net/english/professional/networks/public/psp/benefits/



How can I join DRR-PSP?

- Sign and submit the 'Statement of Commitment by the Private Sector for Disaster Prevention, Resilience and Risk Reduction'
- Complete and submit the Membership Application:
 http://www.preventionweb.net/english/professional/networks/public/psp/join/
- Submit on an annual basis a brief summary of successes and progress in DRR activities

Learn more about DRR-PSP:

http://www.preventionweb.net/english/professional/networks/public/psp/

Contact UNISDR's Business Partnerships Team at isdr-psp@un.org

