



UN World Conference on  
Disaster Risk Reduction  
2015 Sendai Japan

# Business and Industry Major Group

## Five Private Sector Visions for the Hyogo Framework for Action II



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# The 3<sup>rd</sup> World Conference on Disaster Risk Reduction will adopt a new international plan to make the world safer from natural hazards



## **The 3<sup>rd</sup> World Conference on Disaster Risk Reduction (WCDRR) will adopt the post-2015 Framework for Disaster Risk Reduction (DRR)**

- The WCDRR will be held from 14 to 18 March 2015 in Sendai City, Japan
- The WCDRR will adopt the Hyogo Framework for Action II, an international plan for DRR, to make the world safer from the impacts of natural hazards
- The Hyogo Framework for Action II (HFA II) will lay the foundations for more resilient communities, societies and countries and reduce mortality and social and economic losses caused by natural hazards. The framework will be closely aligned with the Sustainable Development Goals and tied to international climate action efforts
- Over 8,000 participants from governments, civil society, NGOs, academia and the private sector are expected at the World Conference and related events





# The Business and Industry Major Group developed 5 key Private Sector Visions to feed into the HFA II



## Participation in Informal Consultations with Major Groups

- Business and Industry participated in all four open-ended informal consultations with Major Groups
  - Private sector members of the group reviewed and discussed the Pre-zero draft of HFA II
  - A joint drafting team of UNISDR and private sector members collected inputs and feedback from a cross-section of global and national businesses
  - Businesses from different sectors and world regions participated in the process
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- 5 Oral Statements
  - 4 Private Section Position Papers & Overview Tables developing the Private Sector Visions and providing case studies



# Private Sector Vision 1 promotes strong Public Private Partnerships driving DRR and resilience at the national and local level

Multi-stakeholder platforms



PPP Governance



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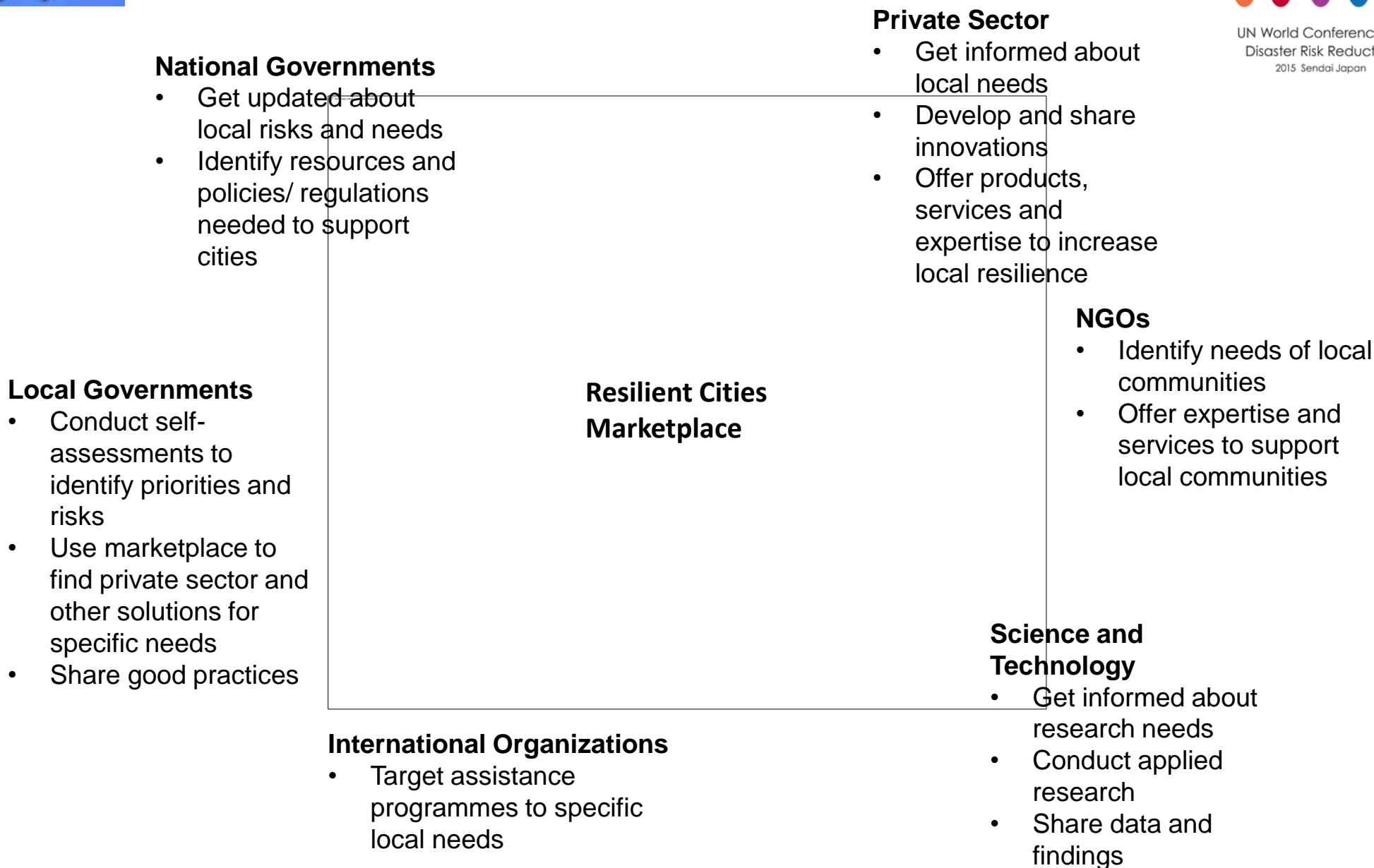
<b>Global &amp; Regional</b>	<b>International Organizations and Platforms</b>	<ul style="list-style-type: none"><li>• Collect and share leading practices, ideas, and tips from multi-stakeholder platforms</li></ul>
<b>National</b>	<b>Governments</b>	<ul style="list-style-type: none"><li>• Bring together multiple industry sectors to facilitate regular input and recommendations</li><li>• Consider and act on recommendations made</li></ul>
	<b>Private Sector</b>	<ul style="list-style-type: none"><li>• Organize and provide collective input</li><li>• Raise awareness among businesses of mutual benefits of collaboration and share insights and expertise</li></ul>
<b>Local</b>	<b>Local Governments</b>	<ul style="list-style-type: none"><li>• Draw on Private Sector expertise, products and services for specific problems</li><li>• Get informed about Private Sector expertise, products and services for larger, exploratory issues</li><li>• Periodically engage with local businesses in multi-stakeholder platforms</li></ul>
	<b>Local Businesses</b>	<ul style="list-style-type: none"><li>• Participate in multi-stakeholder platforms</li><li>• Get informed about local government needs</li><li>• Provide expertise, product and services to meet local needs</li></ul>



# The Resilient Cities Marketplace is a successful PPP connecting local governments with the private sector



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# Private Sector Vision 2 works towards resilience in the Built Environment through minimum regulatory standards and optimal voluntary standards



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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  
& Local**

**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 through private insurance, finance, and reporting organizations

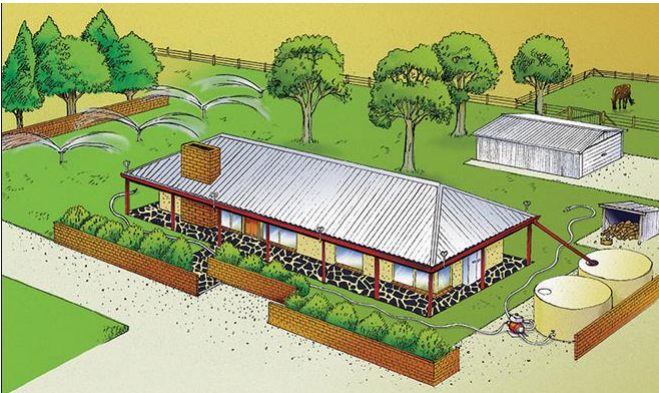


# Private companies are already providing expertise and practical solutions to increase the resilience of buildings



## Green Star Communities

- Internationally recognized built environment rating system
- Developed by Green Building Council of Australia in partnership with engineering and construction consulting firm AECOM
- Targets buildings, neighborhoods and entire communities
- Focuses on environmentally sustainable design, construction and operation
- Implemented in over 760 construction projects



## Insurance Institute for Business and Home Safety (IIBHS)

- Tests houses against wind, rain, hail and bushfire hazards
- Demonstrates that current codes in many locations are inadequate
- Implements a resilience rating system for homes
- Proposed US congressional legislation to incentivize reconstruction above code in disaster declared areas





# Private Sector Vision 3 aims to make all public and private investment decisions risk-sensitive



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Resilient financial investment



Disaster risk stress-tests

Global & Regional	<b>Regulatory institutions and mechanisms</b>	<ul style="list-style-type: none"><li>• Reflect disaster risk in capital regulations and accounting procedures</li><li>• Proactive dialogue and engagement with governments and businesses to support targeted policies on financial stability and inclusion</li><li>• Develop, test and apply incentives for risk-sensitive investment and behavior across the financial system</li></ul>
	<b>Governments</b>	<ul style="list-style-type: none"><li>• Require annual reporting on disaster risk stress-tests</li><li>• Create public-private platforms to promote dialogue between insurance and financial sector and public sector to improve assessment and management of disaster risk</li><li>• Enact financial policies, regulations and fiscal instruments to stimulate risk-sensitive investment</li></ul>
National	<b>Private Sector</b>	<ul style="list-style-type: none"><li>• Apply disaster risk stress-tests to guide mainstream business practices and decision-making towards resilience</li><li>• Enable institutional investors to make informed decisions</li><li>• Test investments against annual losses associated with disaster risk</li></ul>



# The 1-in-100 initiative aims to integrate natural disaster and climate risk into the global financial system



- Will develop, test and apply financial incentives to reflect disaster risk in capital regulations and accounting procedures
- Includes the 1-in-100 year solvency stress test, which evaluates the maximum probable annual financial loss that a company, a city or a region could expect once in a hundred years

- 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



- Stimulate and reward resilient investments
- Enables companies, cities and regions to manage their risk in a more informed and effective way
- Strengthen data required for sound risk analyses



# Private Sector Vision 4 aims at a resilience-sensitive public and resilience-sensitive businesses drive each other towards resilient societies

Awareness-raising



Education & training



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## National & Local

### 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

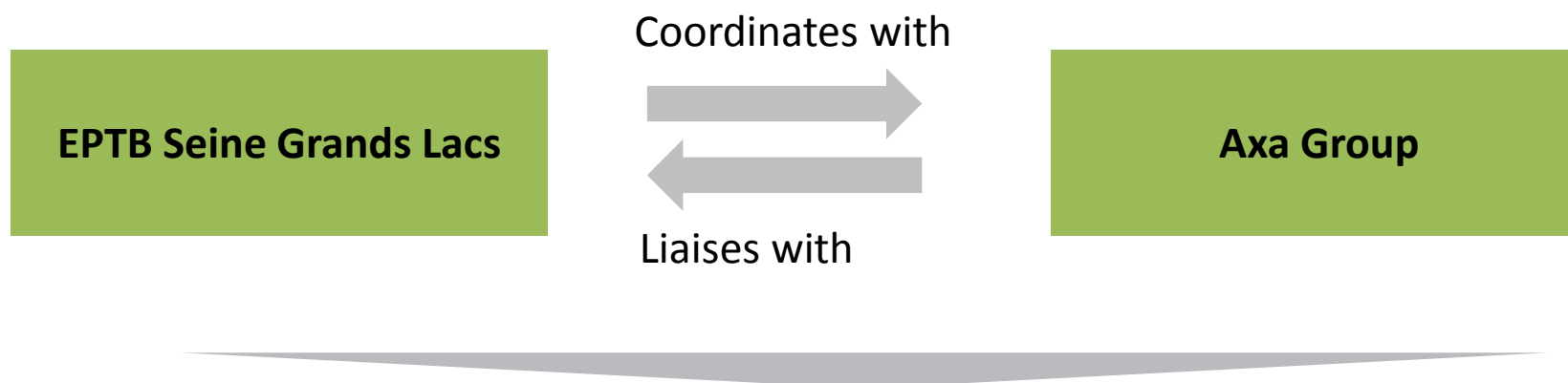
- Use Business continuity management (BCM) throughout supply chain
- Collaborate with public entities and civil society organizations to ensure better emergency planning in the society and communities
- Systematically conduct resilient investments and decision-making
- Conduct transparent reporting on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



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



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- 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
- BCP includes buildings and supply chain management



# Private Sector Vision 5 aims to make identification and disclosure of risks carried and their proactive management a standard business practice



Disclosure of risk data



Transparent reporting

**Global &  
Regional**

**International  
Organizations and  
Platforms**

- Ensure international policy frameworks draw on corporate disclosure data as part of their monitoring of global risk and resilience

**National  
& Local**

**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

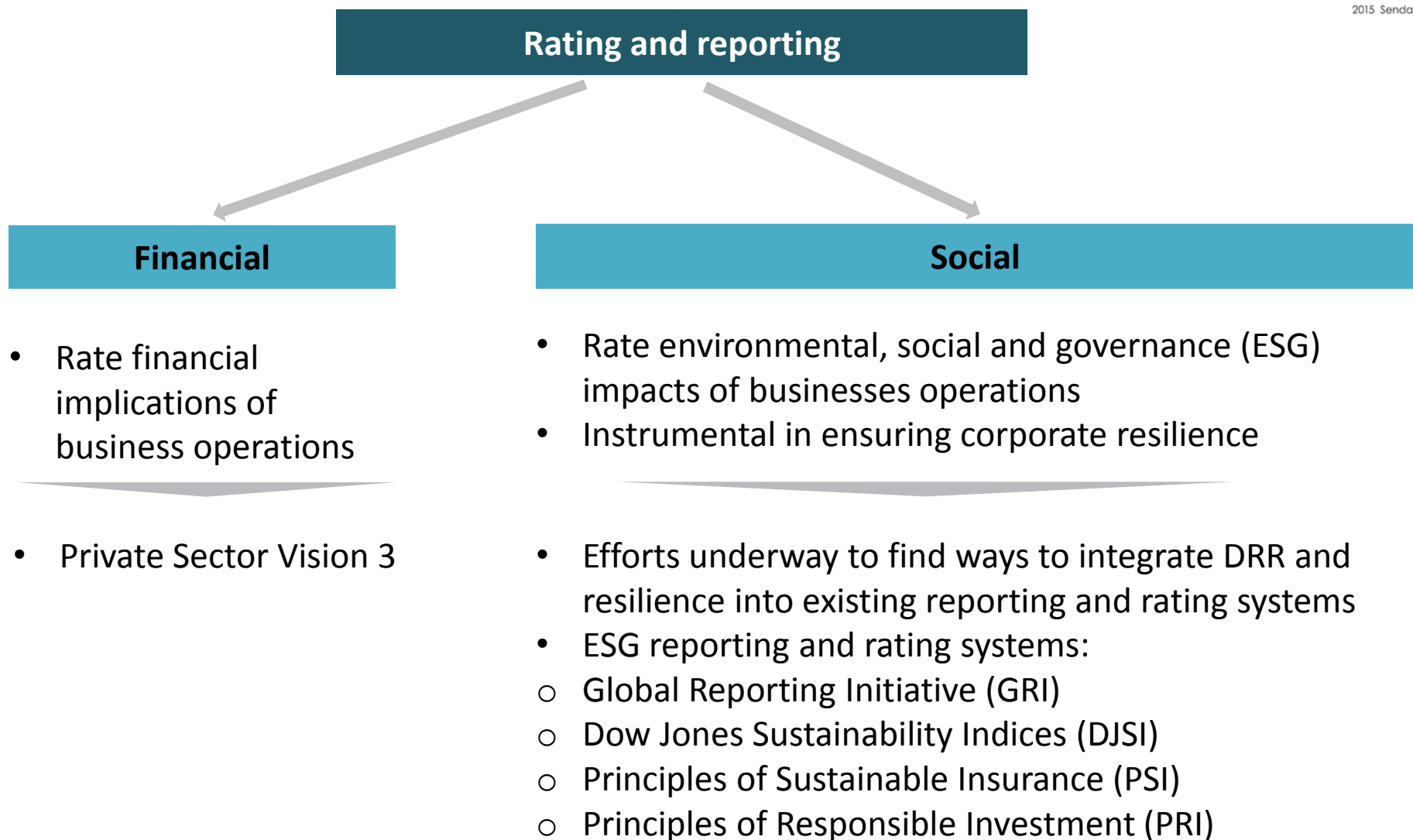




# Rating and reporting on DRR and resilience can be part of existing ESG rating and reporting systems



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# The road ahead to the World Conference in Sendai



## **Preparatory Committee II**

- 17 to 18 November 2014
- Will review organizational and substantive preparations for the Conference
- The Business and Industry group will issue an Oral Statement and a Position Paper focusing on the 5 Private Sector Visions

## **Registration for World Conference**

- Need to be accredited with the UN
- Registration will open two to three months before the Conference
- Private companies can join the Business and Industry Delegation coordinated by the International Chamber of Commerce

## **Sign up for Working Sessions**

- Ministerial Roundtables and Working Sessions will be held at the World Conference
- Private companies can participate and send speakers



The WCDRR will have an intergovernmental segment, a multi-stakeholder segment and a public forum



### **Intergovernmental Segment**

- HIGH-LEVEL DIALOGUE on “Global Partnership in Addressing Emerging Risks in a post-2015 Global Agenda
- OFFICIAL PLENARY SESSION with official statement
- MINISTERIAL ROUNDTABLES
  - Governing Disaster Risk: Overcoming Challenges
  - Inclusive Disaster Risk Management: Governments, Communities and Groups Acting Together
  - Reducing Disaster Risk in Urban Settings
  - Risk Sensitive Investment: Public-Private Partnerships
  - Reconstructing after Disasters: Building Back Better
- DIALOGUES WITH MAJOR GROUPS

### **Public Forum**

Events formally part of the Public Forum:

- Children and Youth Forum
- Architect Exhibition
- TV documentary competition

### **Multi-stakeholder segment**

- WORKING SESSIONS
  - Progress on existing HFA Priorities
  - Emerging Risks
  - Commitments to implementation
  - Accelerating implementation
- IGNITE STAGE
- STUDY TOURS
- EXCURSIONS



# Questions and Comments



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**Thank you for your attention!**