

Final Report: Make your business disaster & climate resilient

Tblisi, Georgia, 21-22 April 2015



The forum attracted a good range of representatives from various businesses in Georgia

"Economic losses from disasters are out of control and can only be reduced in partnership with the private sector which is responsible for 70% to 85% of all investment worldwide in new buildings, industry and small to medium sized enterprises. The principles of disaster risk reduction must be taught at business schools and become part of the investor's mind-set."

- **UN Secretary-General Ban Ki-moon**

Main outcomes

The business case for disaster and climate risk management was made: The International Chamber of Commerce – the local partner for the forum – confirmed after the workshop that disaster and climate resilience was more of a priority for the organization in its work with the local membership in Georgia. The private sector community continued to learn not to ‘trust in Lady Luck’ but to self-help and partner to become more resilient, it said.



The real success of the workshop was to help change the perception that investing in disaster and climate risk management is a cost rather an opportunity to strengthen resilience, competitiveness and sustainability. This concept was increasingly accepted as the workshop progressed.

Efes, GEO Capital and GA Logistics are three such enterprises that have invested heavily in strengthened business continuity. During discussions each increasingly identified potential new market opportunities – as well as

the importance of such measures in a business continuity sense – as a result of their disaster proofing of new and existing infrastructure, buildings and supply chains.

Georgian business faces an array of complex, unpredictable events and sudden change in which risks can manifest swiftly and unexpectedly, with far-reaching ramifications. Even small businesses present, such as a tourism SME, agreed with the evidence presented that strengthening your business’s resilience is a market opportunity as well as fundamental to protecting your core operations.

This engagement with the private sector was timely. It came just over a month after the Third World

Conference on Disaster Risk Reduction, in Japan. The new Sendai Framework for Disaster Risk Reduction identifies the private sector as a central actor of global efforts to reduce disaster and climate risk.

The forum strengthened commitment to address disaster and climate risk: Business representatives asked themselves increasingly tough and explicit questions as the workshop progressed. These included: How resilient is my organisation to disaster and climate risk? How would my business cope with a storm or flood? If I lose a key supplier will I still be operational? During a flood will my employees and customers be able to get to my business?

They recognized that disaster risk does not stop at the factory gate or the office door. Their businesses are increasingly dependent on infrastructure and urban systems run by utilities and the public sector. Damage to transport and energy networks, ports or to neighbourhoods where employees live have interrupted business and imposed additional costs.

Small businesses that serve local markets have been affected more directly by localized recurrent, smaller disasters, such as small-scale flooding. Bigger companies have often been able to 'ride' such disasters out. They are relatively mature in their risk management strategies but recognize gaps exist.

The business leaders present recognized that the decisions they make will affect overall economic and social resilience as well as the operability and profitability of their own business. They regularly pointed to Georgia's relative isolation and smallness – as well as the prevailing geo-political uncertainty – as challenges. The country's capital Tbilisi is home to one-third of country's 4.47 million population. An 'indigenous resilience' has developed in the country in part because the nearest other major hubs – such as Istanbul, Moscow and Tehran – are a two-plus hour flight away.

The local insurance market is still maturing. Several businesses remain unsure on what is the best approach for them in terms of adopting a risk sharing element to their risk management strategy.

The more resilient businesses in the forum – often those with more capacity more than anything else – are managing uncertainty well. They are proactively managing their disaster risk rather than reactively managing a disaster and its impact on their business.

Disaster and climate risk reduction as a business opportunity is still an emerging concept in Georgia:

Investments in disaster and climate risk management are increasingly seen an opportunity to strengthen resilience, competitiveness and sustainability rather than a cost.

However, businesses are only slowly discovering that opportunities exist in 'resilient proofing' new and existing infrastructure, buildings and supply chains. One area of encouragement is that larger enterprises are investing to strengthen the resilience of smaller businesses that are suppliers and partners.

Businesses shared several good practices in disaster risk management: Participants learnt from their peers. Several examples of practical disaster risk management were outlined. Representatives from a good mix of local industry and business from the capital Tbilisi had a vibrant exchange of experience. In the lead were Efes (a global drinks company), Rustavi Steel, GA Logistics, and Georgian Wonders (tourism company).



SMEs in Georgia requested additional practical help from UNISDR to strengthen their disaster risk management: Awareness of the need for business continuity planning in Georgia is high. However capacity to implement disaster and climate risk management is in need of strengthening, particularly among SMEs. SME representatives requested that UNISDR stay engaged and support their individual and collective approach to business continuity and risk management.

The forum called for stronger public-private partnerships to reduce disaster and climate risk: Representatives consistently pointed to the several partnerships (formal and informal) that already exist within the country. The workshop strengthened these links and opened up opportunities for fresh partnerships to address gaps, participants said. However, the private sector wanted to see more formalized engagement with the government on the national resilience agenda. UNISDR suggested the need for a coordinated effort local to develop 'open-source' resources for disaster risk management. This was accepted and a verbal commitment was given to take this forward.



UNISDR’s ONEA-GETI was accepted as a relevant partner in future efforts to strengthen resilience:

ONEA-GETI’s experience of working with the private sector in various countries on practical challenges and providing examples of tools and good practice from around the world was identified as an important resource that is currently lacking in Georgia. The forum was an excellent example of how UNISDR’s regional offices – in this case UNISDR’s Office for Central Asia and the Southern Caucasus, in Almaty – are increasingly using GETI as a capacity building resource. This feeds into the emerging post-Sendai agenda of more practical support to the private sector, local authorities and governments to reduce disaster risk. Participants acknowledged the long-term partnership of the Republic of Korea’s Ministry for Public Safety and Security (MPSS) and the City of Incheon in staging the forum. It was regarded as a valuable support to local capacity building efforts.

For more photos from the forum:

<https://www.facebook.com/media/set/?set=a.952634374767187.1073742017.221056484591650&type=1&pnref=story>

The Georgian context

Over the past 40 years Georgia has suffered thousands of casualties and US\$14 billion in direct economic costs. The country stands 92nd of 172 countries on the World Disaster Risk Index (with 1st place facing the least risk). It experiences a range of natural hazards, including floods, flash floods, landslides, mudflows, snow avalanches, earthquakes, hail, heavy rains, storm winds, and droughts. In terms of climate change, the South Caucasus region may experience warmer, drier summers, urban summer heatwaves and water shortages.



The government has led efforts to strengthen national resilience. Private sector disaster resilience and stronger public-private partnerships to reduce disaster risk are two areas of achievement. However, much more needs to be done.

Ten years ago the phrase 'disaster risk reduction' was virtually unheard of in Georgia. Now it is a development priority for the Government. Telavi recently became the first Georgian city to join the global Making Cities Resilient campaign. This vibrant movement, organized by the United Nations Office

for Disaster Risk Reduction (UNISDR) boasts more than 2,400 member cities from around the world.

For the Georgian business community, protecting their own enterprises is, of course, good business but so is the opportunity contained within a strengthening national resilience agenda and a growing market in disaster risk reduction related goods and services.

UNISDR & its Office for Northeast Asia and the Global Education and Training Institute

The UN Office for Disaster Risk Reduction (UNISDR) was established in 1999. Its main role is to ensure the implementation of the new Sendai Framework for Disaster Risk Reduction: 2015-2030. UNISDR also coordinates disaster risk reduction within the UN system.

UNISDR's Office for Northeast Asia and Global Education and Training Institute (ONEA-GETI) works in line with the Sendai Framework to support “a substantial reduction of disaster risk and losses”.

It does this by focusing on two key themes of the Framework. First, GETI builds local and national capacity to strengthen disaster resilience. Second, the Institute adopts an inclusive approach to disaster risk reduction. It engages with various partners, particularly city and ministerial officials, the private sector, training institutes, academia, and sister UN agencies and other international organizations.

UNISDR's ONEA-GETI was set up in 2010 through cooperation with the National Emergency Management Agency (now the Ministry of Public Safety and Security) of the Government of the Republic of Korea and the City of Incheon, where it is based.

The office was established to promote disaster resilient societies through global advisory and training initiatives that support and develop a new cadre of professionals in disaster risk reduction and climate change adaptation.

In terms of the Global Education and Training Institute its work is practical. Each participant emerges with headline resilience action plans for their city, business, or organization. In 2014, GETI facilitated 20 forums in nine countries for more than 800 practitioners and policymakers from 36 nations. 2015 will see more people and countries reached.

UNISDR's Global Private Sector Partnership

UNISDR has a thriving global partnership with business via the Private Sector Partnership initiative. It works with private sector leaders who are ensuring the safety of long-term investments and planning ahead to protect industry and society from disasters. The partnership has produced many initiatives and tools that show disaster risk reduction as an investment and a business opportunity rather than a cost. This forum was held as part of UNISDR's global strategy of engagement with business.

The Business Case for Disaster & Climate Risk Management
Tblisi, Georgia, 20-21 April 2015

Day One	Monday 20 April : Your business' disaster & climate risk
9.00 – 9.45	Welcome & Introductions M0 Forum Overview: The Business Case for Disaster & Climate Risk Management
9.45 – 10.45	M1 Past hazards & Your business: a brief self-assessment of your business past experience of natural hazards; a look at the bigger picture of disasters & climate change
10.45 – 11.00	Coffee Break
11.00 – 12.30	M2 Current & future risk for your business: Mapping threats & opportunities; assessing your current & future risk
12.30 – 14.00	Lunch
14.00 – 15.30	M2 Current & future risk for your business (cont): Assessing your other risks & developing your 'Risk Heat Map' M3 Your risk profile compared with global business: a look at worldwide trends in risk perception
15.30 – 16.00	Coffee break
16.00 – 17.00	M4 Disaster & climate risk & impact on global business: The downside of being interconnected; negative 'domino effect'; vulnerability of SMEs, growing exposure of investment, fragility of utilities, the 'lifelines' of business

Day Two	Tuesday 21 April: Your business' risk reduction strategy
9.00 – 10.30	M5 A Disaster & Climate Risk Strategy for your Business: Select a good approach
10.30 – 11.00	Coffee break
11.00 – 12.30	M5 A Disaster & Climate Risk Strategy for your Business (cont): Headline thoughts on implementation; M&E considerations
12.30 – 14:00	Lunch
14:00 – 15.30	<p>M6a 'Smart' Disaster & Climate Resilient Business in Action, Examples: A look at good advice and practice from around the world</p> <p>M6b 'Smart' Disaster & Climate Resilient Business in Action, Case Studies: A 'walk through' five case studies of how business has met the challenge of disaster and climate risk</p>
15.30 – 15.45	Coffee break
15.45 – 16.30	<p>M7 Conclusion: The Business Case for Disaster & Climate Risk Management</p> <p>Forum Evaluation & Closing</p>

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