

The Business Case for Disaster and Climate Risk Management

Focus on Tourism and other Key Sectors

16-17 February 2016, Apia, Samoa

Workshop Report



The workshops conveyed businesses from different sectors. Photo by Kevin Hadfield.

**“This workshop has developed a stronger understanding of
disaster resilience in the Private Sector”**

Ms. Ane Moananu, Chief Executive Officer of the Samoa Chamber of Commerce

Main Outcomes

Samoa built the Business Case for Disaster Risk Reduction

- Participants expressed that the training of this kind was first ever in Samoa, which brought practical tools for businesses to learn about disaster risk management and to strengthen collaboration in risk reduction with the Government.
- Although some businesses in Samoa have a continuity plan in place, with provisions and systems to respond to natural hazards, the need for a risk management plan that allows businesses to address risk more proactively can contribute to community resilience as expressed by the participants.
- Key areas for concrete actions such as reinvesting in safe infrastructure, implementing the building codes, securing back-up storage in safe locations, implementing scenarios and drills for staff, and participating further in national drills were recognized by businesses.
- Businesses learned about Samoa’s Disaster Risk Management Action Plan, the sector plans and identified entry points for collaboration through the trade sector.
- How the businesses are insured against disaster losses was also discussed during the groups exercises, particularly: the insurance mechanism against hazards for private sector and the tools and experience of the insurance sector for business continuity plan.
- The businesses affirmed that in addressing the challenge of the Zika virus that the tourism sector is currently facing, the same disaster risk management plan can be utilized as tool to sustain prosperity of the sector.

Increasing commitment from the business sector

- The Chamber of Commerce signaled their interest to build partnership with UNISDR ONEA-GETI to increase their capacity, utilizing UNISDR ONEA-GETI tools to scale up learning through a series of trainings to all their members.
- The participating businesses expressed interest to be part of UNISDR ONEA-GETI network and to receive practical information and tools, not only from UNISDR but also, from other businesses through this community of practice.
- The Government of Samoa committed to support the Chamber of Commerce with their technical expertise in risk management to develop one simple plan that allows the business to be more resilient and better-equipped to respond to disasters.

Good practices on disaster risk reduction were shared

- The Bank of South Pacific highlighted the importance of the public and private partnership for resilience building. The bank received technical support from the Disaster Management Office in assessing alternative secure sites for data storage, keeping it safe from disasters.
- Digicel Samoa shared their company’s experience in implementing its resilience plan, wherein the company expressed solidarity with citizens during cyclone Evan in 2012, and allowed people to reach out their family members with no additional cost.

100% of participants rated the workshop as very good or excellent. Information provided and contacts were the two areas that participants rated the most. It was attended by 15 participants,

from which 80% were women and 20% man.

Next steps:

The workshop was considered as the beginning of a partnership between the Chamber of Commerce and UNISDR through the Government of Samoa. It was recommended a possible partnership agreement to provide capacity and training materials to Samoan Private Sector.

The private sector, tourism and disaster/climate risk reduction

Millions of dollars of new business investment will be made in Samoa in the coming years. Much of it will be spent in hazard-exposed locations. How disaster sensitive this investment is will in part determine the future resilience of the country. In most economies, the private sector is responsible for 70–85 percent of this investment. The decisions made by business have far-reaching consequences on disaster/ climate risk prevention or accumulation.

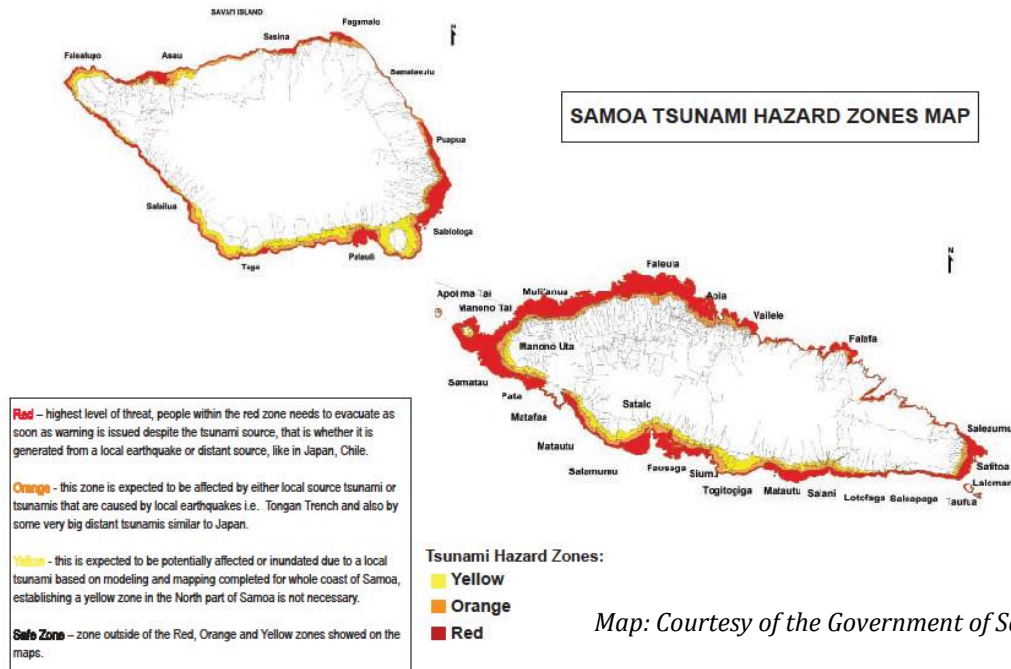
Tourism is a vital sector of the Samoan economy; the country excels in it. The sector comprises about 60% of its total value of exports (counted as international tourism receipts). Tourism centres act as hubs for the local economy, attracting, for instance shops and other small business as well as public infrastructure. Investment in tourism, however, often comes with a high level of disaster risk. Disasters in such areas cascade through the surrounding economic hub affecting communities and businesses.



Ms Filomena Nelson from the Disaster Management Office addressing the forum, in her message, Ms Nelson called the private sector to increase risk reduction action and to reduce environment degradation as first line of defense to disasters.

The overall 'disaster context' in Samoa

Samoa is exposed to a variety of hazards, including cyclones, earthquakes, and tsunamis. Cyclone Evan in 2012 is estimated to have cost the country almost 20% of its annual GDP (USD 200 million-plus). In terms of climate change, Samoa may experience more hot days, unpredictable rainfall, including more downpours, increased sea levels, fewer cyclones but of greater intensity, and increased ocean acidification.



Given its small size Samoa has a relatively high disaster risk. The country is economically, socially, environmentally and fiscally exposed when it comes to major disasters such as Cyclone Evan in 2102.



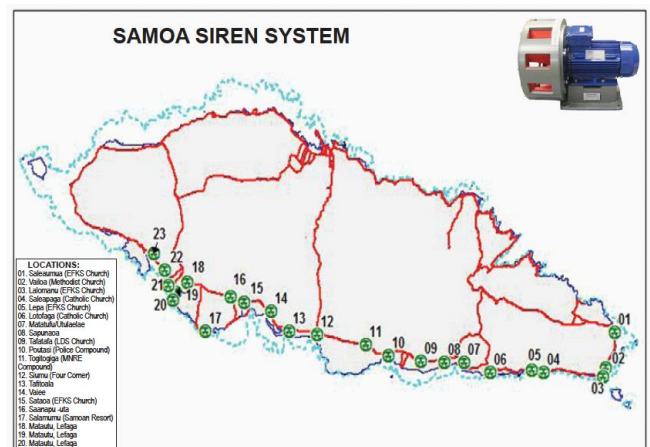
Samoa's relatively undiversified business environment – because of its size – challenges its economic resilience.

According to the World Bank, Samoa is ranked 30th of countries most exposed to three or more hazards. However, Samoa – like other Small Island Developing States (SIDS) – is a small nation with big opportunities. Precisely because of this combination of high risks and low resilience, investments in disaster risk reduction and climate change adaptation will reap a greater benefit.



Ms Molly Nielsen from Disaster Management Office of Samoa, presenting the disaster risk reduction activities.

The government of Samoa has led efforts to strengthen national resilience. The new National Disaster Management Plan encompasses the National Disaster Risk Management Action Plan (DRM NAP) which has a sector wide approach including the Private Sector under “Trade”. 8 out of 15 sectors plans include disaster risk management and climate change



Samoa Siren System: Courtesy of the Government of Samoa

The National Legal Framework supports Samoa's actions and commitments towards regional and global strategies and frameworks. The Disaster Management Office assist sectors to plan, develop and implement disaster risk reduction activities.

Local level efforts, in particular, have been impressive. For the business community, protecting its own enterprise 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.

Why do disasters and a changing climate challenge business?

Cyclone Evan in 2012 showed clearly how such catastrophes can impact businesses. The super storm damaged exposed and vulnerable businesses, offices and other facilities and resources. It interrupted and paralyzed output and business processes.



After cyclone Evan 2012 struck Lelata village in Apia. Photo: Courtesy of Kevin Hadfield

But disaster risk does not stop at the factory gate or the hotel door. Businesses depend on infrastructure and urban systems run by utilities and the public sector. Damage to transport and energy networks, ports and airports or to neighborhoods where employees live interrupts business and imposes additional costs. And in today's globalized world, even businesses in safe locations may be affected by disasters that hit suppliers and partners on the other side of the globe.

Extended insurance coverage may enable businesses to compensate for both direct loss as well as supply chain interruption. But disasters have broader, more pervasive effects. When business is interrupted, skilled workers may leave, market share may be lost to competitors, relationships with key suppliers and partners may be severed and confidence and reputation may be eroded. Once business is lost, it may never come back.

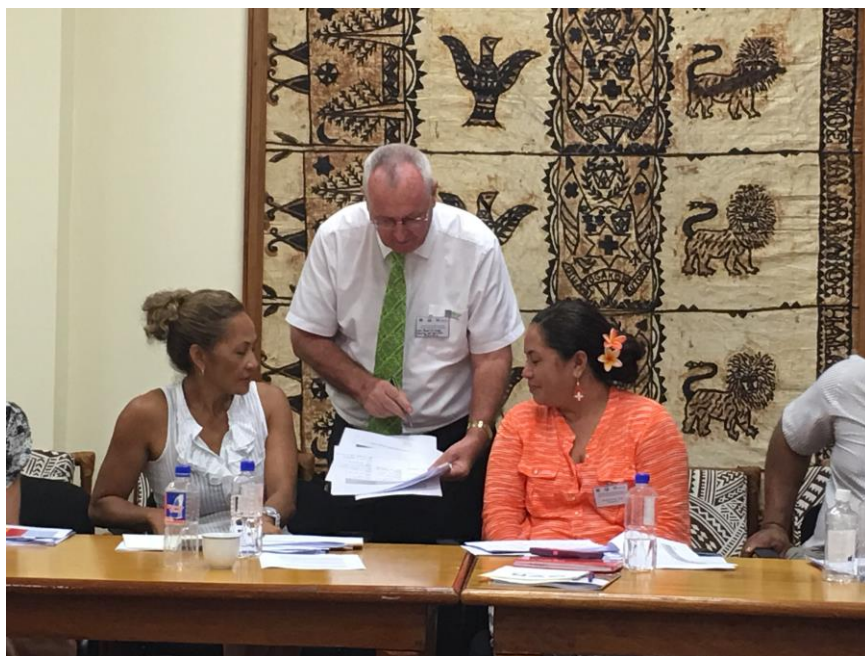
Businesses, of course, come in many shapes and sizes. In addition to major disasters, small businesses that serve local markets are affected directly by localized, more recurrent and smaller disasters such as floods and landslides. These businesses also depend heavily on local public

infrastructure. Destruction of a bridge in a flash flood, for example, may isolate a local smallholder farm, workshop or restaurant from markets and suppliers for days. And many such businesses go bankrupt because they lack the cash flow or reserves.

Creating shared risks

Although hazards such as earthquakes, cyclones and tsunamis are natural in origin, there is nothing natural about how disaster risk has become embedded in the business landscape. This is the result of man-made decisions.

In many cases, investors have not paid attention to the growing exposure to hazards and the threat to business resilience, competitiveness and sustainability. Cities and countries that compete to attract investment generally downplay risks. In some cases, incentives are offered to businesses to locate in hazard-exposed areas. The pricing of risk in insurance markets has yet to act as a disincentive to investment in hazard-exposed areas.



Mr Rod Greed from Bank of South Pacific explaining their BCP strategy to locate key data in safe locations.

Disasters disproportionately affect lower-income countries, communities and households, and those who benefit least from wealth creation owing to economic globalization. Losses to public infrastructure and services, to the workforce and to ecosystems also ultimately threaten the sustainability of all businesses – large and small – and thus in the medium to long term, become shared risk.



Ms Lyvia Black, CEO of Sails Restaurant located in a Tsunami risk area is leaning about the risk assessment tool of UNISDR ONEA-GETI adapted from Shopaholic UK.

The business case for disaster and climate risk reduction

The reduction of disaster and climate risk is taking on a new urgency. Investment in disaster and climate risk management is increasingly being seen less as a cost and more of an opportunity to strengthen resilience, competitiveness and sustainability.

Businesses are finding opportunities in ‘resilient proofing’ new and existing infrastructure, buildings and supply chains. Larger enterprises are investing to reduce their vulnerability by strengthening the resilience of smaller businesses that are suppliers and partners. This strengthens business sustainability via securing local employment, increased productivity, tax revenue and welfare.

The Third World Conference on Disaster Risk Reduction in Sendai, Japan, in March 2015, identified the private sector as central to global efforts to strengthen disaster and climate resilience. 300 representatives from business attended.

UNISDR and its Global Education and Training Institute (GETI)

The UN General Assembly adopted the International Strategy for Disaster Reduction in 1999 and established UNISDR as a secretariat to ensure its implementation.

UNISDR – the UN Office for Disaster Risk Reduction – supports the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030, adopted at the recent World Conference in Japan. UNISDR is also the focal point for the coordination of disaster risk reduction in the UN

system.

UNISDR's Global Education and Training Institute (GETI), is based in Incheon, Republic of Korea. Its mandate is to develop a new cadre of professionals in disaster risk reduction and climate change adaptation for disaster resilient societies. GETI works with governments, cities and the private sector.

In 2015, GETI facilitated resilience action planning for national ministries, city governments and to 182 businesses and organizations in the Philippines, Fiji, Georgia, Viet Nam and Indonesia. GETI's two main partners are the Korean Ministry of Public Safety and Security (MPSS) and the City of Incheon, which hosts the Institute.

ARISE Initiative

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.

To learn more about ARISE and to get involved in the Seven Work-Streams please visit <https://www.unisdr.org/partners/private-sector>

Organizers

The Business Case for Disaster and Climate Risk Management workshop was organized by

The Government of Samoa

The Chamber of Commerce of Samoa

UNISDR Pacific Office

UNISDR Global Education and Training Institute (UNISDR ONEA-GETI)

With funding support from the Korean Ministry of Public Safety and Security (MPSS) and Incheon Metropolitan City.

Resource persons

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The Business Case for Disaster and Climate Risk Management

Agenda

16 February	Mapping & assessing your business' disaster & climate risk
9.30 – 10.00	<p>Welcome remarks Ms. Ane Moananu, Chief Executive Officer of the Samoa Chamber of Commerce Ms Filomena Nelson, Assistant Chief Executive Officer, Disaster Management Office</p> <p>Forum Overview and Introductions, UNISDR ONEA-GETI</p>
10.00 – 10.45	<p>Group exercise – Discussion on risk rating and the participants businesses</p> <p>Current & future risk for your business: Mapping threats & opportunities; assessing the risk you face Group exercise – Mapping threats and opportunities</p>
10.45– 11.00	Coffee Break
11.00 – 13.00	<p>Continue Group exercise and presentations</p> <p>Voice of Public sector in Samoa: Samoa's disaster risk reduction focal point on progress in national resilience and how the private sector is a key partner</p>
13.00 – 14.00	Lunch
14.00 – 15.00	<p>Global Trends facing Business: Downside of being interconnected (negative 'domino effect'); vulnerability of SMEs; growing exposure of investment; fragility of utilities; the 'lifelines' of business</p> <p>Business Continuity & Your Business: Selecting your disaster/climate risk reduction strategy; implementing your strategy</p>
15.00 – 15.15	Coffee break
15.15 – 16.30	Group Exercise – focus on objectives and actions

17 February	Your risk reduction strategy and continuity plan
9.00 – 10.30	<p>Recap of day one</p> <p>Disaster and Climate Resilient Business in Action: Examples & Case Studies: A look at good advice and practice from around the world as well as a ‘walk through’ five case studies of how business has met the challenge of disaster and climate risk</p> <p>Continue and Presentations of Group exercise: A Risk Reduction and Climate Risk Strategy for your Business</p>
10.30 – 11.00	Coffee break
11:00– 13.30	<p>Monitoring and Evaluation of your Business Resilience Action Plan</p> <p>Group exercise – M&E: A Risk Reduction and Climate Risk Strategy for your Business</p> <p>Conclusion: The Business Case for Disaster & Climate Risk Management.</p>
13.30	Lunch

The Business Case for Disaster and Climate Risk Management

List of Participants

Name and Surname	Organization
Ms Lyvia Black	Sails Restaurant
Ms Sylvia Craig	Craig Construction
Ms Naomi Falo	Small Business Enterprise Centre
Mr Neuri Fau	ACE Hardware
Mr Rod Greed	Bank of South Pacific
Ms Laufa Lesa	OSM investment
Ms Lote Lima	Samoa Chamber of Commerce
Ms Galen Lumsden	Sinalei Reef Resort
Ms Petronila Molioo	Le Spa
Ms Seinia Poliko	Fitness Firm
Mr Derek Rasmussen	Digicel Samoa
Ms Rosa Tapusoa	Capital Partsright
Ms Ronette Van Hwysk	Promo Pictures
Ms Ane Moananu	Samoa Chamber of Commerce
Mr Hobart Vaai	Samoa Chamber of Commerce
Ms Filomena Nelson	Disaster Management Office of Samoa
Ms Molly Nielsen	Disaster Management Office of Samoa
Ms Karen Medica	Disaster Management Office of Samoa
Ms Christine Salm	UNISDR Pacific Office
Ms Ana Cristina Thorlund	UNISDR Global Education and Training Institute (ONEA-GETI)