

Business and Industry Major Group Oral Statement for Plenary, PrepCom II

I represent the Business & Industry Major Group and the UNISDR Private Sector Partnership group.

Overall, the private sector is satisfied with the Zero draft and appreciates how our inputs are reflected. Our recommendation is to keep the Zero draft intact. During the course of informal consultations, we have described our potential contributions towards disaster risk reduction and resilience by Five Visions of a resilient future under the new framework, where:

- 1) Strong public-private partnerships drive DRR and resilience at the local and national level;
- 2) Resilience in the built environment is driven by both the public sector raising minimum standards, and the private sector voluntarily working towards optimum standards;
- 3) All financial investment decisions, public and private, are risk-sensitive;
- 4) Everyone, including the public and private sector, behave in a resilience-sensitive way and create a positive cycle of reinforcement;
- 5) The identification, disclosure and proactive management of risks carried by companies and public sector entities, is standard practice.

We believe that these Five Visions will be achievable under the Zero draft, with the public and private sector and civil society working together.

Priority I, Understanding risk, is extremely important to the private sector, as it lays the foundation for investing in disaster risk reduction and resilience. The understanding of risk in all its dimensions is necessary not only for disaster risk management but to determine codes and standards governing the built environment, financial investments, investments made by businesses into their own resilience and resilient behavior, and the identification and reporting of risks. Thus we appreciate the call for an all-states and all-stakeholders effort toward this goal. As a refinement, we suggest that Priority I include a recommendation to avoid duplication of existing efforts, and specify the need for standardized data.

As recommended under **Priority II, Strengthening governance**, we are prepared to join all-stakeholder coordination platforms and partnerships at all levels. We expect these collaboration mechanisms, together with mentioned quality standards, certifications, regulations, incentives, compliance, public reporting, and other

mechanisms, to provide for an enabling environment where an even wider private sector is encouraged to adopt risk-sensitive behavior.

We appreciate how **Priority III, Investing in resilience** promotes a positive cycle of reinforcement between resilient-sensitive businesses and a resilient-sensitive public, resilience in the built environment, and resilient financial investments, all of which are important to us. We believe stress-tests can be one of the financial and fiscal instruments to support risk-sensitive public and private investment. We bring to your attention that one of our members have helped launch an UN Climate Summit initiative on stress tests, thus affirming our commitment while at the same time building mutual reinforcement between the global agendas. In terms of refinement, we believe the discussion of supply chain resilience and the role of SMEs could be strengthened; the importance of treating all infrastructure as a system and managing the entire infrastructure lifecycle are useful additions to the discussion of the built environment; and adding the word “insurance” would clarify what is meant by risk transfer mechanisms.

We appreciate **Priority IV** as affirmation that the actions recommended under the Hyogo Framework for Action will continue. We are confident that the role of businesses as partners in response, recovery, and reconstruction, and as innovators and providers of products, services and solutions, while not expressly stated, are well understood. The private sector owns, invests in, builds, operates and maintains most of the critical infrastructure and has a lot of technical expertise in understanding the whole infrastructure lifecycle. This expertise is particularly useful in post-disaster reconstruction. For this Priority, we recommend mentioning Business Continuity Management as an important part of preparedness.

The Business and Industry Group has developed a detailed position table for your reference, available online.

The private sector believes that our roles as stakeholders are to make risk-sensitive business decisions and resilient investments, develop innovative products and services that provide solutions for DRR and resilience and to offer expertise to contribute to a more resilient society. We have cited many good practices by members of our group, from all regions and sectors, in previous position papers. Our next step is to work on mainstreaming them. The consultation process has been greatly beneficial in identifying the scope of potential collaboration with the other Major Groups, as well as the common concerns among us. We welcome further opportunities to collaborate with all groups and interests - governments, NGOs, experts, civil society - and positively encourage steps that help to build the mutual

understanding needed by all stakeholders for truly effective disaster prevention and management.