

Point of view

April 2015

The future of development is at stake, “*the road to sustainable development starts at Sendai*”

Ban Ki-moon, United Nations Secretary General

- 187 United Nations Member States adopted the “*Sendai Framework for Disaster Risk Reduction 2015-2030 (SFDRR)*” at the Third World Conference for Disaster Risk Reduction (WCDRR)
- *The SFDRR includes a call to “promote mechanisms for disaster risk transfer and insurance, risk sharing and retention and financial protection, as appropriate, for both public and private investment in order to reduce the financial impact of disasters on governments and societies, in urban and rural areas”*

Disaster risk trends 2005-2015

- 700,000 people lost their lives
- Disasters impacted 1.5 billion people across the globe
- US\$1.3 trillion of economic loss

SFDRR replaces the Hyogo Framework for Action (HFA) 2005-2015

- HFA – *Building the Resilience of Nations and Communities to Disasters* – was important in raising awareness and political commitment to act

SFDRR goes beyond HFA

- While HFA was largely effective as a catalyst for public sector action, SFDRR emphasizes importance of involving all stakeholders including the private sector
- SFDRR provides private sector entities with clear priorities for collaborative action

R!SE – a new United Nations Office for Disaster Risk Reduction (UNISDR) initiative

- An inclusive, investment-focused mechanism to operationalize and implement specific DRM activities by all stakeholders aligned with the SFDRR priorities for action

R!SE is a natural and logical fit to address SFDRR’s call to action as SFDRR and R!SE mutually support each other

2015 – four key intergovernmental events make this a milestone year for defining the post-2015 sustainable development agenda:

- The 3rd UN **World Conference for Disaster Risk Reduction** (WCDRR) in Sendai, Japan in **March** to develop a new framework for disaster risk reduction efforts;
- The 3rd **Conference on Financing for Development** will be held in Addis Ababa, Ethiopia in **July** and lead to an agreement on development finance to support implementation of the post-2015 development agenda;
- The **UN Summit to Adopt the Post-2015 Development Agenda** will be held in New York, NY in **September** to finalize and endorse the Sustainable Development Goals (SDGs) for the period 2015-2030; and
- The **21st Conference of the Parties to the UN Framework Convention on Climate Change** (COP21) will be held in Paris, France in **December** to finalize and endorse a new universal, legal agreement on climate change to be implemented by 2020.

SFDRR’s private sector call for action also notes:

- “*Reducing disaster risk is a cost effective investment in preventing future losses. Effective disaster risk management (DRM) contributes to sustainable development.*”
- “*Promote, as appropriate, the integration of disaster risk reduction considerations and measures in financial and fiscal instruments.*”

The R!SE Initiative is aligned with SFDRR:

- “*There is a need for the public and private sectors and civil society organizations, as well as academia and scientific and research institutions, to work more closely together and to create opportunities for collaboration, and for businesses to integrate disaster risk into their management practices.*”

SFDRR supports the business case for R!SE:

- “*Public and private investment in disaster risk prevention and reduction through structural and non-structural measures are essential...These can be drivers of innovation, growth and job creation.*”

The Broader Context

Disaster Risk Trends, HFA and UNISDR

Disaster Risk Trends*

UNISDR reports that globally disaster risk has not been reduced significantly. Annual observed and future estimated losses from disasters have subsequently increased as well:

- Economic losses from disasters now average US\$250 to \$300 billion annually
- Future losses are now estimated at US\$314 billion in the built environment alone – this is the amount that countries should set aside each year to cover future losses
- If annual losses were shared equally, they would equate to US\$70 per working age person across globe
- 42 million life years lost in internationally reported disasters from 1980-2012 each year
- 80% of life years lost in disasters originate from low and middle-income countries, representing an obstacle to sustainable development similar to diseases like tuberculosis
- By 2050, 40% of global population will live in river basins experiencing severe water stress
- Ecological footprint from global consumption now exceeds Earth's bio-capacity by nearly 50%

Hyogo Framework for Action

- 168 countries signed HFA at the 2nd WCDRR in Hyogo, Japan in 2005
- HFA provided signatories with a systematic approach to reducing vulnerabilities and risks from man-made and natural disasters over a ten-year period (2005-2015), SFDRR extends commitments to implement DRR measures out to 2030
- Adoption of HFA highlighted a growing trend of increasing disaster losses threatening development

HFA Strategic Goals

Strategic goals support outcomes:

- The more effective integration of disaster risk considerations into sustainable development policies, planning and programming at all levels with a special emphasis on disaster prevention, mitigation, preparedness and vulnerability reduction;
- The development and strengthening of institutions, mechanisms, and capacities at all levels, in particular at the community level, that can systematically contribute to building resilience to hazards; and
- The systematic incorporation of risk reduction approaches into the design and implementation of emergency preparedness, response, and recovery programs in the reconstruction of affected communities.

HFA Call for Action

Operationalize the priorities for action:

- Ensure that DRR is a national and local priority with strong institutional basis for implementation;
- Identify, assess and monitor disaster risks and enhance early warning;

- Use knowledge, innovation, and education, to build a culture of safety and resilience at all levels;
- Reduce the underlying risk factors; and
- Strengthen disaster preparedness for effective response at all levels.

Key Activities

Activities under each Priority for Action provide tangible outcomes to meeting disaster risk reduction goals. They cover the breadth and scope of HFA, ranging from standardizing DRR terminology across regional networks to creating early warning systems for vulnerable countries.

HFA calls upon States, multilateral organizations, international organizations, and civil society to help mobilize resources and implement these activities.

Role of UNISDR

UNISDR is tasked with monitoring and reporting on the progress of implementing HFA, as well as organizing the biennial Global Platform (and the *Global Assessment Report, 2009, 2011, 2013 and 2015*) to advance risk reduction policies and the creation of regional platforms.

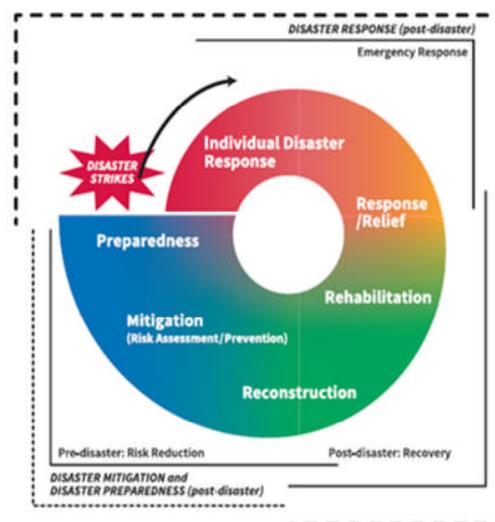
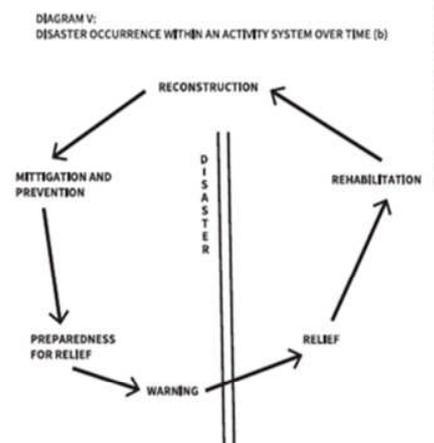


Figure 1*: Original Disaster Risk Management Cycle (circa 1975, left) and current interpretation (circa 2014, right)

*Sources: Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters; Global Assessment Report on Disaster Risk Reduction 2015

Sendai goes beyond Hyogo, so what's new in DRR?

Emphasis on private sector engagement, financing, insurance

6 reasons SFDRR is different from earlier actions:

SFDRR emphasizes the importance of involving all stakeholders **including** the **private sector** and **addressing financing** and **insurance mechanisms**

1. Provides private sector with **clear priorities for action**
2. Calls to “promote mechanisms for **disaster risk transfer and insurance, risk sharing and retention and financial protection**, as appropriate, for **both public and private investment** in order to reduce the **financial impact of disasters** on governments and societies, in urban and rural areas”
3. Calls for business, professional associations and private sector financial institutions, including financial regulators and accounting bodies, as well as philanthropic foundations, to: **‘integrate disaster risk management, including business continuity, into business models and practices via disaster risk-informed investments...’**
4. Activities should “include engaging in and supporting research and innovation as well as technological development for disaster risk management; **sharing and disseminating knowledge, practices and non-sensitive data**; and actively participating, as appropriate and under the guidance of the public sector, in the development of normative frameworks and **technical standards that incorporate disaster risk management...’**



Figure 2: Demonstrating relationship between HFA, WCDRR, SFDRR, GARs and R!SE

5. SFDRR builds upon **prior successes**, including leveraging a portfolio of successful initiatives such as the **GARs** and the **R!SE Initiative**
 6. There is a need for the public and **private sectors** and civil society organizations, as well as academia and scientific and research institutions, **to work more closely together and to create opportunities for collaboration, and for businesses to integrate disaster risk into their management practices.**
- What are the practical considerations to implementing SFDRR?**
- The private sector is encouraged to engage in collaborative DRR and DRM activities such as the global R!SE initiative launched in 2014 at the UN headquarters.
 - R!SE is a multi-stakeholder, global initiative operating under the UN umbrella to **mobilize businesses**, public sector, academia, civil society, insurance industry and investors to make investments risk-sensitive and to create risk-resilient societies. R!SE facilitates the exchange of experience and knowledge to implement tangible disaster risk reduction projects through eight streams of activities: **strategies for global business**, risk metrics for economic forecasting, **industry sector standards and certification**, education and training, investing for resilience, city-level resilience, **expansion of insurance**, and resilience of UN programming.

How can your organization get involved?

Q: How and when does the SFDRR come into force?

A: SFDRR was adopted by ballot by 187 countries on March 18, 2015 at the WCDRR in Sendai, Japan. Member countries are able to promote DRR activities to potentially reduce the impact of significant events, including man-made and physical, sudden and “creeping” (e.g., sea level rise) events.

Q: Is there a membership fee or do organizations have to contribute funds to R!SE?

A: While financial contributions are important and always welcome to the UN R!SE Trust Fund, there is no R!SE membership fee. Organizations are free to self-fund their initiatives and to affiliate their activities with R!SE. Information on the UN R!SE Trust Fund is available upon request.

Q: How are SFDRR, UNISDR and R!SE related?

A: **SFDRR** is a voluntary framework that UN member countries adopted to promote behavioural changes, projects and activities moving from simply “responding to events” to “preparing for events”. **UNISDR** is the focal point in the UN system with primacy in coordinating “disaster risk reduction” across the UN, although other agencies also have risk reduction efforts (e.g., UNICEF with children and UNEP with environment). **R!SE** is a new global initiative intended to operationalize member countries and other stakeholder’s commitments to create risk-resilient societies.



Q: How do organizations make commitments to R!SE?

A: R!SE is a voluntary initiative seeking a combination of **time**, **talent** and/or **treasure** to DRM activities. Existing projects and initiatives are welcome to be aggregated with and accelerated by R!SE. While financial contributions (via the UN R!SE Trust Fund) are always welcome, R!SE recognizes peer-to-peer relationships and knowledge sharing are also important components of increasing society’s resiliency. Information on the commitment process is available upon request.

Q: What are the benefits of joining R!SE and/or endorsing SFDRR?

A: Through R!SE, UNISDR seeks to promote the principles and actions agreed to under SFDRR, R!SE seeks to be **collaborative**, **additive** and **supportive** with existing initiatives. Using the convening powers of the UN, R!SE seeks to **amplify** and **multiply** other organizations’ DRM messages and impacts, with organizational peers, competitors, sectors, industries, and other stakeholders. R!SE seeks to bridge North-South, South-South, and North-North divides as **leading practices** and **practices to avoid** are shared across developing and developed economies.

Q: Does UNISDR or R!SE provide financial support for projects?

A: The UN R!SE Trust Fund will likely be opened in mid-2015 with an initial target of US\$150 million provided by UN Member Countries, private sector and foundation contributions. Project funding decisions will be made by UNISDR based on criteria that will be publicly available and based on UNISDR’s judgment and estimates of the project’s potential to **scale-up**, **reduce negative impacts** and **contribute to sustainable development**.

Q: Who do I contact to learn more? Is there a website?

A: Information on SFDRR, UNISDR and R!SE can be found on the R!SE website at www.theriseinitiative.org. PwC is an active R!SE Coordinator and Activity Stream Leader and can provide additional information on R!SE and R!SE activities.

For further discussion, please contact:

PwC’s insight and knowledge can help clients better understand emerging risks and trends. We work with you to identify and implement disaster risk reduction activities; to establish strategies increasing your organization’s resilience and help you develop and implement processes and systems to track your progress and successes.

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