



2nd Asian Ministerial Conference on Disaster Risk Reduction

7-8 November 2007

High-level Round Table 4

Enhancing Public-Private-Partnership in Disaster Risk Reduction

Background Note

As the paradigm shift from post disaster RR (relief and reconstruction) to pre-disaster PP (prevention and preparedness) is accepted globally and nationally, various innovative ideas of investments on disaster risk reduction are coming up. It is increasingly realized that private, or more appropriately, corporate sector cannot remain insulated from either the effects of increasing natural disasters or the responsibilities of reducing the risks of disasters. Corporate sector depends on community at large for sustenance, not only as a source of labour, capital and material but also as a market for products and services. If the community life itself is destroyed by disaster the lifeline of the corporate gets threatened. Further in a globalized economy market in the remotest part is integrated by a long supply chain which is disrupted by disasters.

There are three main ways in which corporate sector contributes to the process of disaster risk reduction:

- Corporate Social Responsibility (CSR) in supporting relief, rehabilitation and risk reduction activities;
- Redefining the business continuity plan to factor in hazards, risks and vulnerabilities;
- New business opportunities created in disaster reduction due to the increase in emphasis on risk reduction.

Corporate Social Responsibility

Historically business houses have been spending money on disaster relief and rehabilitation on following grounds:

- a) It helps community in distress;
- b) It helps community to bounce back as ultimate consumers as also producers and therefore helps to sustain business;
- c) It improves the image and public relations of the company;
- d) It attracts tax concessions.

In many countries big business houses have their own non-profit organizations which run a range of social projects on education, health, community development and entrepreneurship development etc which reduce disasters in the long run. Smaller business houses mainly contribute to projects run by NGOs.

Government can create an enabling environment for greater corporate sector investment in disaster risk reduction activities through innovative partnership. A few examples of such partnerships are:

APELL (Awareness and Preparation for Emergencies at the Local Level): It involves private sector, government and people to raise awareness of communities to prevent technological accidents. This network has been supported in a number of countries by United Nations Environment Programme;

DRN: (Disaster Resource Network). This network is run by Construction Federation of India to encourage safe construction practices;

IDRN (India Disaster resource Network): This is a web based inventory of human and material resources on disaster response

Business Continuity Plans

Most of the Asian countries are highly vulnerable to natural hazards. Many Asian countries are also on a high trajectory of economic growth and most of this growth is driven by private investments. A large part of such investments are taking place in geographical areas that are highly prone to hazards. Big businesses have generally withstood such risks due to scale of their operations. Multi-national companies and large corporate houses have developed mechanisms for integrating risk reduction into investments. However many small businesses have suffered and gone out of business due to disasters. Documentation and concern for such losses have generated demand and need for enhanced capacity building for preparation of good business continuity plans. Many business schools are

showing their interest in developing tools and methodologies for retrofitting investments especially in hazard prone areas.

Government regulations in many countries have made it mandatory for preparation of off site and on site risk reduction plans, which has created the demands for such services.

New Opportunities for Business

Increasing emphasis on disaster risk reduction at the global, regional and national levels have created new opportunities for business. For example, there is a new wave of investments on the following areas:

- GIS based risk assessment and mapping by spatial data integration;
- Early warning and disaster communication;
- Retrofitting structures in high seismic zones;
- Recharging deep underground aquifers with surplus flood water for use in peak demand

Enabling policy framework is needed at the national level to promote further investments and research for such projects.

Clean Development Mechanism

The Kyoto Protocol on Climate Change has committed industrialized countries to invest in emission reducing Clean Development Mechanisms in developing countries. The potential size of CDM market is estimated 144-723 MtC in terms of emissions and US\$ 5-21 billion in terms of annual value. The CDM would open windows of opportunities for disaster risk reduction and sustainable development through transfer of resources and technologies.

Again an enabling policy and regulatory framework is needed in many countries to take benefit of such projects.

Innovative Public Private Partnership

Various innovative models of Private-Public-Partnerships are emerging in many countries for promoting multi-sectoral partnerships on disaster risk reduction under the leadership of the private sector. Some of the examples of such innovative models are:

- Private-Public-People Partnership - private sector joining hands with government and community based organizations for risk reduction programs at local level. Example: Bhagidari of Delhi;
- Pro-Poor Public-Private Partnerships designed to attract investment and technology in dry land areas for production of high value food commodities and for creating supply chain in a globalize economy

New hybrid organizations involving corporate sector, government, civil society and NGOs coming up. Proactive policy interventions of national governments shall encourage such innovations on disaster risk reduction with minimal direct investments of government.

All these and related key issues shall be discussed in this High Level Round Table.