Ladies and Gentlemen,
Distinguished guests,

I am honoured to have been invited to contribute to this conference and share the United Nations’ perspective on risk, risk management and risk reduction. More than 40 years of work on hazards, risks, and practical means to reduce the risks of loss of life, as well as social and economic losses due to natural hazards, have created a significant body of knowledge. Today, what challenge are we facing? To turn this knowledge into practical application, to adjust it to emerging issues and to overcome strongly held perceptions about ‘the other’ and ‘self’! Your presence here today is a strong message that progress is made. Can we, though, accelerate progress and achieve a significant drop in losses within the coming 10 years?

2011 was a new record year in disaster losses. The reinsurance company Munich Re recorded 380b USD of global economic losses (2/3 higher than in 2005, the previous record). 2/3 of the economic losses were caused by the earthquakes in Japan and in New Zealand, while
90 percent of the hazards events were caused by weather. Research published in the UN Global Assessment Report on Disaster Risk Reduction shows that while in the past 30+ years the world population has increased by 87 percent, during that same period the population growth in flood prone river delta regions have increased by 114 percent, and by 195 percent in cyclone/hurricane prone coastal regions. The message is clear: we are putting our economic, social, cultural and business assets in the most high risk areas, because that is where wealth and our future is generated. Cities, rapidly growing urban areas, are producing most of the world’s economic output. However, cities are also highly vulnerable and exposed to risks from natural, and technological hazards. Economic losses from disasters are growing fast, faster than the GDP growth in most countries, including the richest countries. Perhaps should I say especially in the richest countries as they have most of the insured value. Risk is increasing fastest in middle income countries, due to the imbalance between growth in assets and regulatory frameworks and institutional capacity.

Progress has been made in many countries to improve preparedness and relief in acute disaster situations. In fact, in one region, East-Asia, the losses of lives have been reduced very significantly thanks to early warning systems, evacuations, awareness and education of the public. Where we are still losing ground is on economic and physical losses, political loss, and the medium and long-term social losses from disasters and disruptive events.

The efforts to agree on a global climate agreement to reduce the climate warming are not making progress. While the practical impacts are clear, and warming increases, action is being postponed. This will
continue to aggravate weather conditions and perpetuate the unfolding and all too familiar narrative of disasters, human loss, infrastructure destruction and escalating economic loss. Human beings risk-perception is guided by many factors that we cannot control or influence without understanding them better. But we can fully understand the trends of destructive events and how these impact the welfare of communities, individuals and countries.

One of the paradigm-shifts in how disasters are perceived and acted on was the Indian Ocean Tsunami in 2005. It became everyone’s concern, no matter how far away you were.

In 2005, just after the Indian Ocean Tsunami, the Hyogo Framework for Action 2005-2015 (HFA) was agreed upon and then endorsed by the UN General-Assembly. This framework guides action for building and strengthening the resilience of nations and communities. A fundamental of this framework is that it requires all parts of society to work together to achieve a more resilient community and nation. Let’s take, for example, the issue of the economic losses and consider the answer to the question ‘who pays’? I have quoted above the recorded losses for 2011. These are enormous, but certainly not the full picture. In wealthy nations, there is normally a high insurance coverage. Nevertheless, Governments absorb most of the relief, recovery and rebuilding costs. What the full losses are to individuals over time is poorly known – and so is what the losses to business are. We must start counting!

The Hyogo Framework offers a series of practical ‘things to do’ that have been proven to reduce risk and impact. The voluntary
cooperation in wide and diverse networks that the HFA has generated has lead to good progress. In early 2011, a HFA Mid-Term Review was done to hear from the ‘users’ their views on progress made, challenges, constraints and opportunities. Much positive was said and noted, not least the value of cooperation. However, the two most significant constraints identified were: firstly, the difficulties and obstacles to share and have easy access to information and knowledge. Secondly, the quality and design of institutions, which includes the challenge of coordination within institutions, as well as among institutions. Here comes the question of authority and accountability - where does the buck stop on risk management, risk reduction and resilience strengthening? These are strategic issues that require a high level of authority to ensure an ‘all-of-society’ approach and working method. Without a clear institutional framework, it can easily become an increasingly complex matrix of crossing lines, and more time spent than is perceived to be value added, in discussing how, rather than actually doing. Let’s also look now at the positive things that are happening.

On the average, only 15% of wealth in a given country today is public, the rest is private. Without the full engagement of private and business sectors, resilience cannot be achieved. The instruments for engagement have so far been laws, regulations and to some degree Corporate Social Responsibility. The cooperation and joined action are growing but are not very visible. A critical thing to achieve is what the title of this conference calls for: ‘Securing our future’.

Resilience building – in other words what we have do to protect ourselves from hazards and ‘disaster proof’ our societies – is, at the
end of the day, everyone’s business; government, local authorities, the public and private sector, civil society organizations and citizen.

Perhaps after a disaster the most instrumental partnership in rebuilding with resilience and disaster risk reduction is the one that brings together the private and public sectors. Different working cultures, methodologies and objectives have rendered cooperation hard. Yet we have to try harder to make this work, and use the potential at hand.

Considering how last year’s billion dollars of damages impacted the public sector who has no choice but to rebuild the infrastructures; and, considering the devastating effects of the loss of roads, buildings, train lines, harbours, airports and electrical power plants on the private sector who are the major users of such infrastructures, the public sector should look at the private sector as the most important contributor to make development sustainable, given that it is incontestably the major generator of national revenues, salaries, products and services. We know that all these are related to the drivers of risks and make the potential loss scenario more likely, particularly in middle income countries. The opportunity for the public and the private sectors to explicitly develop a common ground for risk and resilience management – of managing the planetary boundaries, our common resource base, is evident.

I have attempted to briefly touch on the prejudices and perceptions surrounding the potential private-public sector partnership so that we can see more clearly and highlight the mutually necessary and beneficial nature of the relationship between the two entities.
Private-public partnerships give governments, both national and local, a more sustainable financial base, while helping governments, companies and ordinary citizens to fulfill their moral and business interest, protect employees, consumers, communities and the environment.

Private-public partnerships reinforce the social bond among community members and reduce real and perceived inequalities among the local government, the business community and the general public.

Private-public partnerships facilitate the government’s job by making compliance with regulatory and safety requirements everybody’s concern. The public private partnership can also bring an oversight capability to prevent corruption, a major risk to trigger disasters.

Private-public partnerships enhance both the government’s and companies ability to recover from financial losses, loss of market share, damage to infrastructure, equipment, products or business interruption, by putting resources and forces together, making preparedness a win-win option. Repetitive loss not lend itself as a good business example; neither does it contribute to business continuity, enhance corporate images or translate into socio-economic development.

Partnerships work best when based on shared responsibilities and clearly delineated roles and tasks that engage the private sector not
merely as a source of funding but as contributing competence, experience and motivation.

The private sector is also a well placed to advocate for resilient thinking because of its direct relationship with customers, suppliers and everyone in between. A private sector committed to disaster risk reduction can steer public demand towards materials, systems and technological solutions to build and run resilient communities.

The most dynamic environment for public-private cooperation is most likely at local government and community level. Local leaders in both private and public sector have proven the benefits and the value of such cooperation. It yields practical and tangible results in reasonable time frame.

Local governments are on the frontlines of disasters and no process can be made without them. Civil society organizations are also important partners in the alliance to reduce risk and reinforce resilience.

I believe that public-private partnerships for resilience building should be understood as a learning experience where innovation takes place and provide future guidance. Public-private partnerships are opportunities for innovation, simplification and action.

Christchurch in New Zealand provides a good example of private-public partnerships following the devastating earthquake that took place last year. Visionary planning has resulted from the central and local governments, the community and the private sector, coming
together to create and maintain confidence as well as seize opportunities, including collaborative partnerships, for the future of a stronger and more resilient Christchurch. Key to this is timely recovery and good decision-making that endures beyond the recovery. The central and the local governments are working collaboratively with private interests to ensure the recovery is business friendly.

These approach is very much encouraged by the UNISDR Private Sector Advisory Group which brings together a wide range of private sector entities into a global partnership for action that encompasses private business, multinational and local, trade organizations and government enterprises.

All of these points of resilience building will bring us closer to our shared goal of a safer world for all.

In closing, a primary argument for resilience building and private sector involvement is aptly illustrated by what happened recently in South East Asia.

Recent floods in Thailand caused Honda to extend production cuts at its Canadian and U.S. assembly plants and Toyota to scrap its financial guidance, scale back output in Japan and suspend overtime in North America as the Japanese auto industry struggled with the second crippling disaster in 2011.

Intel, the world’s highest-selling chipmaker, cut its guidance for fourth-quarter revenue by about $1 billion, and said that the global PC industry was reducing inventories and purchases. Its shares went
down 1.9%, suggesting that investors were not happy with the extent of the damage inflicted by months of heavy rain in Thailand.

Reports around the world generally agreed that the Industrial Production Index of Thailand shrank by 34.5 percent.

The fate of Toyota, Honda and Intel could have happened to any private sector company conducting business in any area where natural hazards are the norm. We only have to cast our memories back to 2010 when Iceland’s Eyjafjallajökull volcano erupted and caused a massive disruption of business as airports across Europe had to close due to an ash cloud that drifted towards the continent.

During the first week of 2012, UN Secretary-General, Ban Ki-moon highlighted the prevention of disasters and making the world safer as two of his “five generational priorities” for his second term which began on 1 January. He said solutions lay with harnessing “the strong power of partnerships” to respond to the planet’s biggest challenges. He underscored that “strengthening the partnerships among governments, business communities, civil organizations and philanthropists would move the world in the direction.”

Strengthened partnerships among the private and public sector are powerful opportunities that substantively enhance global efforts to reduce risks, build resilience and rebuild with resilience as well as safeguard precious economic gains.

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