

## DRR-PSP Membership Pack

*“The biggest question facing us is how to influence behavioural change. Who do we need to convince? How do we do it? The private sector is the perfect 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.”*

**Margareta Wahlström**

UN Special Representative of the Secretary General (SRSG) for Disaster Risk Reduction

At the heart of an initiative to increasingly involve the private sector in **Disaster Risk Reduction (DRR)** by mobilizing resources through core business arrangements for joint actions, sustainability/corporate social responsibility (CSR), philanthropy and knowledge transfer, the **United Nations International Strategy for Disaster Reduction (UNISDR)** has recently created a **Disaster Risk Reduction Private Sector Partnership (DRR-PSP)**.

In May 2011 the members of the UNISDR’s **Private Sector Advisory Group** published a Statement of Commitment<sup>1</sup> as the basis for engagement and membership requirements. We look forward to having you as a member and this document will provide you with all the necessary information on how to join our DRR-PSP project.

### What is the UNISDR and the DRR-PSP?

The **United Nations International Strategy for Disaster Reduction (UNISDR)** is a strategic framework, adopted by United Nations Member States in 2000, aiming to guide and coordinate the efforts of a wide range of partners to:

- Achieve substantive reduction in disaster losses
- Build resilient nations and communities as an essential condition for sustainable development

UNISDR also serves as the focal point for the implementation of the **Hyogo Framework for Action (HFA)** to protect lives and livelihoods against disasters. The HFA is a ten-year plan of action adopted in 2005 by 168 governments across the world.

UNISDR works with numerous organizations, States, intergovernmental and non-governmental organizations, financial institutions, technical bodies, the private sector and civil society, which work together and share information to reduce disaster risk. The UN provides the secretariat of the strategy.

Acknowledging the important role of the private sector for the economic growth and wealth of nations and societies, also making it an essential agent in reducing disaster risk worldwide, UNISDR has developed a **Private Sector Advisory Group (PSAG)** in order to:

- Advise the UNISDR with their practical expertise in the field of disaster risk reduction
- Complement UNISDR’s disaster risk reduction efforts by bringing in new ideas from the private sector
- Assist the UNISDR’s efforts of capacity-building in disaster-prone areas
- Review and counsel on UNISDR strategic publications such as the Global Assessment Report
- Support the UNISDR to secure the necessary funds from the private sector for future projects

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<sup>1</sup> See Appendix 1

Current PSAG members include executives from organizations such as AECOM, Arup Group, Cisco, Credit Suisse, Deloitte, DuPont, IBM, International Finance Corporation (IFC), Kokusai Kogyo, Munich Re, Small Equity Initiative, Titan America, United Nations Foundation and Willis Re.

With the help from the PSAG and to further engage the private sector in future DRR initiatives, a new division named the DRR-PSP was created during the UN Global Platform for Disaster Risk Reduction in Geneva May 2011.

## Why get involved and why is it good for your business?

*“The UNISDR Private Sector Advisory Group aims to serve as a catalyst to bring together a wide range of private sector entities into a global partnership for action that will encompass private businesses, both large and small, multiregional and local, business trade organizations, as well as government-owned business enterprises. If what we’re beginning creates a million lights of resilience, we’ll have all come closer to achieving our common purpose.”*

**Aris Papadopoulos**

Chair, UNISDR Private Sector Advisory Group  
CEO, Titan America

The private sector is crucial in influencing behavioural change. Getting involved in DRR-PSP is not only about supporting UNISDR, it is also about helping your own company. Indeed, your involvement in our initiative can lead to a wide set of benefits in terms of:

- **Economic case.** Studies show that the cost of prevention is significantly less than that of recovery, relief and reconstruction.
- **Business continuity.** Disasters can see business operations disrupted or shut down. In particular, disasters can impact their supply chains, trading capacity and customer base. Investment in reducing risk can result in greater continuity of company operations.
- **Security of employees and families.** Appropriate risk reduction can reduce suffering for staff members, together with their families, in the wake of a disaster, and a quicker return to normality for the business.
- **Liability issues.** Preventative action can reduce the possibility of liability following a disaster and reduce the risk of damage to the reputation of a company.
- **Business opportunities.** Engagement in disaster risk reduction can generate business opportunities for particular industries. Resultant innovation in products/services may give companies a competitive edge and increase access to funding.
- **Insurance benefits.** Investment in DRR infrastructure leads to a lower risk environment, which, in turn, enables access to lower cost insurance products.
- **Reputation and brand value.** Investment in DRR not only helps build more resilient communities, but also adds brand value. Much goodwill can be generated in communities living in disaster prone areas when corporations engage with the vulnerable nature of their circumstances. This can be bolstered if further steps are taken by companies to educate the community in risk reduction.
- **Stakeholder expectation.** Stakeholders in high risk locations are now demanding preventative action by companies as part of responsible business practice. Companies are being required to offer guarantees that core practice ensures necessary safety considerations, in the event of a disaster.
- **Staff motivation/retention.** Engagement in disaster risk reduction can enhance staff motivation and retention.
- **Corporate Social Responsibility (CSR)/Sustainability.** DRR as a responsible business practice can be a means for implementing CSR/Sustainability policy. In addition, there may be

voluntary standards in the future in DRR. Companies engaging now will be one step ahead of competitors.

- **Protection of vulnerable people and communities.** The foundational reason for DRR engagement is a humanitarian one. When disasters strike, the impact on lives and livelihoods can vary significantly. The devastation wrought by disasters can be reduced, with appropriate steps taken to build resilient communities.

## What are the membership benefits of joining DRR-PSP?

### Some of the exclusive benefits of joining our initiative:

- Access to resources within the UN system to influence and mobilize decision makers to make disaster risk reduction a national priority in the political agenda.
- Access to a network of DRR-PSP partners in your local area, business activity or worldwide through the DRR-PSP database.
- Access to a unique network of UNISDR partners at the international, regional and national level who work with and trust the UNISDR.
- Access to a great variety of expertise and knowledge on DRR issues from governments, inter-governmental and non-governmental organizations, financial and academic institutions, technical bodies, the private sector and civil society.
- Access to DRR materials, presentations and statistics thru the member-only DRR-PSP website
- Access to international, regional and national DRR platforms and forums to promote and share best practices, expert knowledge and products related to DRR.
- Receive news and current information on DRR events, hotspots and what other members are doing.
- Opportunity to showcase your DRR activities and successes thru DRR-PSP communications.
- An ideal venue for you to demonstrate your commitment to sustainable development.
- Use of the DRR-PSP member logo.

## Membership Requirements and Sign-up

Membership requirements and sign-up process:

- a. Be a private business, business trade organization or government-owned business enterprise.
- b. Sign and submit the ‘Statement of Commitment by the Private Sector for Disaster Prevention, Resilience and Risk Reduction’ (Appendix 1).
- c. Complete and submit the DRR-PSP Membership Application (Appendix 2).
- d. Submit on an annual basis a brief summary of successes and progress in DRR activities.
- e. Periodically, and as required, update and maintain current the information on your membership application.

Voluntary financial contributions and in-kind corporate support will be welcome to make DRR-PSP administrative activities self-sufficient from UN resources. Sponsors will be duly recognized.

DRR-PSP members are also encouraged to join the UN Global Compact. For information see:

[www.unglobalcompact.org](http://www.unglobalcompact.org)

## Where should you send your information?

**All the information should be sent by fax or email to:**

Kiki Rebecca Lawal

Business Partnerships Programme Officer

Tel: +41 229178452

Email: [ISDR-PSP@un.org](mailto:ISDR-PSP@un.org), or [lawalk@un.org](mailto:lawalk@un.org)

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[lsdr@un.org](mailto:lsdr@un.org) [www.unisdr.org](http://www.unisdr.org)

For any questions please also refer to the above contact.

For more information on the UNISDR and the PSAG go to [www.unisdr.org/partners/private-sector](http://www.unisdr.org/partners/private-sector)

## **Appendix 1- Statement of Commitment**

### **Statement of Commitment by the Private Sector for Disaster Prevention, Resilience and Risk Reduction**

#### **Preamble**

Major disasters triggered by natural hazards impact the lives and livelihoods of millions of people around the world, both in developed and developing countries. While the devastating earthquake in Haiti and floods in Pakistan in 2010 highlighted the vulnerability of poverty stricken nations to natural hazards, the 2011 floods in Australia, earthquake in New Zealand, and earthquake and tsunami in Japan showed wealthy nations are not immune to disaster risks.

Across the globe the economic and insured losses from these events are rapidly rising in line with the frequency and severity of major natural catastrophes. This is due in part to a combination of rapid simultaneous global economic and population growth. According to the World Economic Forum, between 1950 and 2010, world population grew from 2.5 to 6.9 billion, with much of that growth occurring in areas more prone to the impact of natural disasters, such as coastal areas and riverbanks. Existing limitations in public and private sector disaster risk prevention management and planning, globalisation, and a growing concentration of assets and people in urban centres and high exposure areas are also contributing to the rise in disaster-related losses.

- The 10-year average of economic losses since 2000 totalled US\$110 bn, while average insured losses totalled US\$35 bn. In 2010 alone, disasters cost the global economy US\$130 bn. [Source Munich Re 3 January, 2011]. That figure has nearly doubled this year. Economic losses of selected 2011 disasters, including January's landslides in Rio de Janeiro, the February New Zealand earthquake and the earthquake and tsunami in Japan on 11 March, will exceed US\$200 bn.

Natural catastrophes affect all sectors of business, both directly and indirectly. Disasters can cause operational and supply chain disruptions through the physical damage to property and/or loss of critical resources and infrastructure, such as energy supplies and transmission, public infrastructure and distribution networks.

Disasters also affect businesses' staff and customers, both economically and physically, especially those living in the affected areas. In developing countries, disasters pose grave consequences for the survival, dignity and livelihoods of all people, particularly the poor. At the same time, increasing disaster risks threaten hard-won development gains and future sustainable development in all countries. The World Bank reports there have been 3.3 million deaths from natural hazards since 1970, or about 82,500 a year, with large year-to-year fluctuations and no pronounced time trends. Droughts are the deadliest of the four hazard categories (earthquakes, floods, and storms are the others) and poor countries suffer disproportionately - almost 1 million people died in Africa's droughts alone. Between 1980 and 2009, 84 % (865,000) of people killed by weather disasters lived in poor countries [Source: Global, aber gerecht (2010), Munich, ISBN 978 3 406 60656 4]. According to CRED (University of Louvain, Brussels) the annual average death toll for the 2000 decade was 78,000, which is considerably higher than the previous decade. [Source: Press Release

UNISDR 2010/01, 28 January 2010]

While the primary responsibility for protecting communities is vested in national and local governments, the private sector plays a crucial role in managing disaster risks and building resilience.

The private sector shares both the consequences of these risks and a responsibility to act in reducing them. In most countries, the private sector is the primary generator of GDP, employs the majority of the population and is the dominant vehicle for innovation and investment. It also has the know-how, organization, resources and capacity to provide solutions. Ensuring a safer and more sustainable future requires coordinated action by multiple actors worldwide through partnerships at multiple levels in politics, technology, economy, civic/community groups and the public that combine resources and expertise.

The economic case for ex-ante disaster risk reduction and management is compelling:

- For every US\$1 invested in resilience and prevention, between US\$4 and US\$7 are saved in response (Source: California Emergency Management Agency/UNDP).
- Multi-national companies with best practices in managing their property risks produced earnings on average 40% less volatile than those with less advanced risk management plans. [Source: Dr Deborah Pretty, Oxford Metrica Risk Financing Strategies: The Impact on Shareholder Value for FM Global].
- Average property loss is 20 times larger for companies with weak physical risk management practices, while the average loss per location exceeds US\$3 million versus US\$620,000 for companies with robust disaster scenario management plans. [Source: Dr Deborah Pretty, Oxford Metrica Risk Financing Strategies: The Impact on Shareholder Value for FM Global].
- Large businesses with strong risk management programmes compared with those with weak risk management practices, experience, on average, catastrophe losses that are seven times less costly—an average of US\$478,000 per loss compared with US\$3.4 million. [Source: Dr Deborah Pretty, Oxford Metrica Risk Financing Strategies: The Impact on Shareholder Value for FM Global]

In recent decades the sustainability movement has demonstrated tremendous energy and progress focused on the humanitarian and environmental dimensions, including climate change control. The same level of energy and commitment is now needed for disaster risk reduction and climate change adaptation. Sustainability cannot be achieved unless societies both reduce their environmental impacts and become more resilient against natural catastrophes.

In 2005 the United Nations (UN) brought this issue to the global forefront by initiating the International Strategy for Disaster Reduction (ISDR) and adopting the Hyogo Framework for Action 2005-2015: 'Building the resilience of nations and communities to disasters'.

Through these initiatives, the UN recognizes that disaster response and humanitarian relief efforts alone will not suffice. Unless the root causes of disaster impacts are recognized and addressed, adaptation is improved, and public awareness is elevated, the risks will impact

beyond all possible humanitarian response and resources. Raising disaster risk awareness, promoting a culture of prevention and mobilizing adequate resources to build resilience are both an imperative and an investment in the future, with substantial returns for all.

Recognizing the importance of the above, the undersigned member of the private sector commits to the following:

1. We acknowledge the threat posed by disasters and the importance of building resilience and recognize our role and responsibility in encouraging, supporting and acting on the reduction of disaster risks. We commit voluntarily and to the best of our abilities to create awareness within and outside our organizations, identify vulnerability and their root causes in our areas of activity and influence, invest in functional resilience and apply risk reduction and management principles in our decisions within our businesses, and, to the extent possible, in our sectors, supply chains, client bases, and global networks. We commit to make disaster risk reduction and resilience building an integral part of our sustainable development strategy, goals and programs.
2. We recognize the leading role of the ISDR and the importance of the Hyogo Framework for Action<sup>2</sup> as a guiding reference for global disaster risk reduction.
3. We commit voluntarily and to the best of our abilities to embrace, support and enact, within our spheres of influence and capacities, the following Five Essentials for Business in Disaster Risk Reduction, and to partner with the public sector with a focus on local action, taking into account the most vulnerable population groups, such as women, children, elderly and the poor. We acknowledge that at any point in time we may be most active in a subset of the below action items.

#### **Call for Action: Five Essentials for Business in Disaster Risk Reduction**

Countries that develop policy, legislative and institutional frameworks for disaster risk reduction and that are able to develop and track progress through specific and measurable indicators have greater capacity to manage risks and to achieve widespread consensus for, engagement in and compliance with disaster risk reduction measures across all sectors of society. In an effort to support the three aforementioned commitments, we agree to the following Five Essentials:

1. **Promote and develop public-private partnerships** for disaster risk reduction to analyze the root causes of continued non-resilient activity, such as in the urban built environment and related infrastructure, and develop frameworks and policies to change these causes. Encourage, develop and use financial risk-sharing mechanisms to ensure the resilience of facilities and communities to hazards and allocate adequate resources for these.
2. **Leverage sectoral private sector expertise and strengths** to advance disaster risk reduction and mitigation activities, including enhanced resilience and effective response. For instance, the Engineering and Construction industry can drive safer land

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<sup>2</sup> Hyogo Framework for Action link: <http://www.unisdr.org/we/coordinate/hfa>

use planning and construction standards, while the Information, Communications and Telecoms sector could play an essential role in hazard monitoring, disaster warning, and communications. Likewise, the insurance industry can lend its expertise in risk assessment and evaluation and promote the widespread use of risk transfer tools, including micro insurance/ insurance pools to enable faster recovery and reconstruction, as well as provide fast liquidity in times of crisis. Utilities and Transport industries can influence water management (dams/sea walls, irrigation, desalinization, flood management, sewerage draining) and business continuity activities, including contingency service plans and supply chain resilience.

3. **Foster a collaborative exchange and dissemination of data:** Share information on assessment, monitoring, prediction, forecasting and early warning purposes and action between the public and private sectors, including through cooperation with UNISDR, ISDR System partners and other international, regional and national actors. Likewise, encourage staff, suppliers, individuals/people, clients, their families and communities to take action to reduce risks and build resilience using communications, awareness-raising events, training and recognition, and conduct regular disaster preparedness exercises with a view to ensuring rapid and effective disaster response and access to essential food and non-food relief supplies, as appropriate, to local needs.
  
4. **Support national and local risk assessments and** socio-economic cost-benefit analyses and capacity-building, and demonstrate opportunities where resilience building and disaster risk reduction is a sound economic strategy, with attractive returns and competitive advantages.
  
5. **Support the development and strengthening of national and local laws, regulations, policies and programmes** that enhance disaster risk reduction and improve resilience. Develop, apply and implement internal codes of conduct, standards and procedures through the active engagement in national and regional mechanisms and platforms, and the allocation of adequate financial and other resources.

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Signature:

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Organization

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Representative Name and Title

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Location

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| Date



**APPENDIX 2: MEMBERSHIP APPLICATION FORM**

**APPENDIX 2: DRR-PSP MEMBERSHIP APPLICATION**

**ORGANIZATION INFORMATION**

Name:

Street address:

City:

Prov/State:

ZIP Code:

Country:

Phone:

Fax:

**PLEASE SELECT ONE CATEGORY WHICH**

Financial sector (bank, insurance & reinsurance)

Construction

Telecommunications & information technologies

Engineering

Transport & logistics

Health care & pharmaceuticals

Agriculture

Extractive industries

Manufacturing

Media

Education

Tourism

Utilities industry

**PLEASE INDICATE IF YOU ARE A TRADE ASSOCIATION**

**PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR ORGANISATION AND ITS PRIMARY ACTIVITIES:**

**PLEASE INDICATE THOSE 'CALL FOR ACTION' ITEMS IN THE COMMITMENT STATEMENT THAT YOUR ORGANIZATION IS VOLUNTEERING TO FOCUS ON DURING THE NEXT 12 MONTHS. IF FOR EXAMPLE, YOU INDICATE 'CALL TO ACTION' #1, PLEASE EXPLAIN WHAT SPECIFIC ACTIONS UNDER THAT ITEM**

**IN WHICH COUNTRIES (AND IF RELEVANT, AREAS/CITIES WITHIN THE COUNTRY) DO YOU PLAN TO PURSUE THE ABOVE INDICATED 'CALL TO ACTION' ITEMS**

<b>PLEASE LIST ANY OTHER ORGANIZATIONS YOU ARE A MEMBER OF RELATED TO DRR, CSR OR SUSTAINABILITY</b>	
If you are publically traded, please provide exchange name and symbol?	
What is the total number of staff at your organization?	
Would you consider becoming a financial or in-kind support sponsor of ISDR DRR-PSP? Yes <input type="checkbox"/> No <input type="checkbox"/> Please contact me to discuss <input type="checkbox"/>	
Website:	
<b>PRIMARY CONTACT FOR DRR-PSP COMMUNICATIONS</b>	
Title (e.g. Mr/Ms/Dr):	Tick the box if address is same as HQ (above) <input type="checkbox"/>
First Name:	Street:
Last Name:	City:
Position Title:	Prov/State:
Email:	Post/Zip Code:
Phone:	Country
<b>ADDITIONAL CONTACTS</b>	
<b>Please enter the email addresses of colleagues at your organization. The UNISDR will forward details and instructions on how to access DRR-PSP website and other implementation support group.</b>	
<b>YOU ARE ALSO INVITED TO INCLUDE ANY DOCUMENTS THAT PORTRAY YOUR CURRENT DRR, CSR OR SUSTAINABILITY ACTIVITIES</b>	

Note: By submitting the above, you consent that ISDR DRR-PSP can present this information in its public database, or any other informational document, and share with other DRR-PSP members