Private-public partnerships for disaster risk reduction

a joint effort of
the UN International Strategy for Disaster Reduction,
the World Economic Forum, and the World Bank Group
under the Global Facility for Disaster Reduction and Recovery

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GDP at risk

Hyogo Framework for Action

The Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters ...calls for private-public partnerships (PPPs) through which the business community can play a role in reducing underlying risks.

www.unisdr.org/hfa
Why should the private sector participate in disaster risk reduction?

Paraphrasing John Donne, “No company is an island, entire of itself; every company is a piece of the continent, a part of the main.” The paradigm shift from sharing risks to sharing responsibilities through private public partnerships is needed. Reduce your risks by reducing the risks to the society in which you live and work.

Private-public partnerships for disaster risk reduction

• PPPs give governments a broader operational and financial base, and help governments, companies and ordinary citizens fulfil their moral responsibility to protect their staff, employees, peers, the communities and the environment.

• PPPs reinforce the social bond among community members and erase (or reduce at least) real or perceived inequalities among the civil service, the business community and the general population.

• PPPs facilitate the government’s job by making compliance with regulatory and safety requirements everybody’s concern.

• PPPs 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, hence making preparedness a win-win option.

Economic damages from natural disasters
Increased private-public co-financing of disaster risk reduction

Several private sector companies, interviewed for this effort, emphasised the critical need to “prime the pump” at the early stages of PPP development and indicated that after initial project development phase, regular commercial transactions could be put in place to sustain the project on purely market terms.

The road forward

- Convening a national risk reduction dialogue meeting as part of the national platform for disaster risk reduction
- Addressing risk prevention, mitigation and transfer
- Establishing national partnership task forces and alliances
- Tracks in 2007:
  - A multi-stakeholder dialogue on the policies and frameworks for private sector involvement in disaster risk reduction
  - The piloting of select action-oriented, public-private partnerships for implementing risk reduction measures on the ground

Possible next steps ...

World Bank
- Engage at the country level within existing PPP processes to address DRR, notably focusing on opportunities for co-financing
- Engage the private sector in national DRR studies and “prime the pump” with seed funding for PPP opportunities in selected countries

World Economic Forum
- DRR policy dialogues at regional/national platforms over the next year
- Implement pilot PPP for DRR projects on the ground in specific areas

ISDR
- Engage private sector in ISDR movement through the Global Platform
- Develop regional, national and local DRR dialogues that are part of national platforms to identify shared risks and encourage alliances with the private sector
Example: The risk landscape of Switzerland

- **Probability over the next 25 years**
  - Highly probable: 90% to 100%
  - Probable: 80% to 90%
  - Less probable: 60% to 80%
  - Improbable: 40% to 60%
  - Highly improbable: 20% to 40%
  - Extremely improbable: 0% to 20%

- **Impact on Switzerland**
  - Very minor: 0.003% to 0.03%
  - Minor: 0.3% to 3%
  - Average: 3% to 30%
  - Major: 30% to 100%
  - Devastating: 100%

Adapted from: Risk Profile Switzerland, 1999

For further information:

- [www.unisdr.org/partner-newtwppp/private-public.htm](http://www.unisdr.org/partner-newtwppp/private-public.htm)