



UNDRR
UN Office for Disaster Risk Reduction



ARISE Forum for the Americas and the Caribbean

Report

ARISE Forum for the Americas and the Caribbean

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REPORT

Background

In adopting the Sendai Framework for Disaster Risk Reduction 2015-2030 (Sendai Framework), the 2030 Agenda for Sustainable Development (2030 Agenda), the New Urban Agenda (NUA) and the Paris Agreement on Climate Change, Member States identified the prevention of new risk, the reduction of existing risk and the strengthening of resilience as central to global efforts towards sustainable development. The private sector is a critical participant in sustaining these endeavors and in promoting risk-resilient societies.

The Americas and the Caribbean are highly exposed to natural hazards. According to the 2021 UNDRR Regional Assessment Report on Disaster Risk in Latin America and the Caribbean, disasters cost on average \$520,000 million annually. Over the last 20 years, the region has absorbed 53% of global economic losses due to climate related disasters. Private investment plays a significant role in determining disaster risk. In most economies, the private sector accounts for 70% to 85% of overall investment. Therefore, the private sector must be part of the



solution or even become the driving force for social, environmental and economic change. Investment in new and critical infrastructure must be risk-informed, and financing disaster risk reduction (DRR) for resilience is a key priority. Failing to do so will result in increased compounding risks, and an opportunity to build resilience will be lost. Hence, the strategic role of the private sector as an advocate, investor and implementer of risk reduction actions.

Engaging with the private sector in the areas of risk knowledge, disaster risk reduction, risk-informed investment, resilient infrastructure and business continuity will improve resilient economic and social recovery. Despite the private sector being exposed to multiple hazards, it can also play a catalytic role in providing disaster risk information to other social sectors to support risk-informed governance and, more broadly, to help governments fulfill the 2030 Agenda. Reducing losses and preventing new risks at the required scale can only be achieved if the public and private sectors work together. Public-private partnerships and collaboration are essential for the scale of innovations and investments needed.

The COVID-19 pandemic recovery is an opportune moment for identifying additional stakeholders to advance resilience-building practices. The Sendai Framework recognizes that businesses, small and large alike, are called on to integrate disaster reduction into business continuity plans, models and practices throughout supply chains. Likewise, the COVID-19 crisis has demonstrated the influential role of the private sector in achieving resilience and supporting the public sector in disaster risk reduction efforts. Consequently, UNDRR supports the ARISE Network through 23 national and two sub-regional business networks (Central America & Caribbean).



In 2018, ARISE Mexico organised a national forum called “Resilience for all: the importance of understanding risk” with more than 800 participants from 14 countries, including national ARISE networks and more than 60 international specialists. In 2020, ARISE networks further accelerated the implementation of ARISE’s strategic objective by adopting new priority areas for 2020-2025. These priority areas are in line with and support global policy discussions on the engagement of the private sector in the implementation of the Sendai Framework, the Sustainable Development Goals, the Paris Agreement on Climate Change and related business and multi-stakeholder initiatives. The priorities are expected to drive action, support synergies between networks and member activities and achieve the tangible impact of the initiative. Greater alignment across the networks will also enable and mobilize more active information sharing and collaboration between ARISE networks and with other private sector initiatives led by other UN agencies and international organizations.

The four ARISE priority areas for 2020-2025 are:

1. Enhance resilience of small and medium-sized enterprises.
2. Integrate disaster and climate risks into financial sector investment decisions.
3. Incentivise disaster risk reduction and enhanced data for risk-informed decision-making through engagement with the insurance industry as a global risk manager.
4. Support resilient infrastructure development.

Objectives of the Forum

- Promote the sharing of good practices between ARISE networks in their efforts to achieve the four ARISE priority areas.
- Promote discussions on the role of the private sector in advancing collaboration for public-private partnerships in DRR in the region and identify key opportunities and challenges for private sector engagement in DRR.
- Highlight key elements, concepts, findings and tools developed in collaboration or by ARISE networks.
- Provide the private sector with information about initiatives and opportunities to engage in disaster risk reduction and resilience work.
- Foster further cooperation between ARISE networks in the region and discuss how to promote the integration of the private sector in disaster risk management.

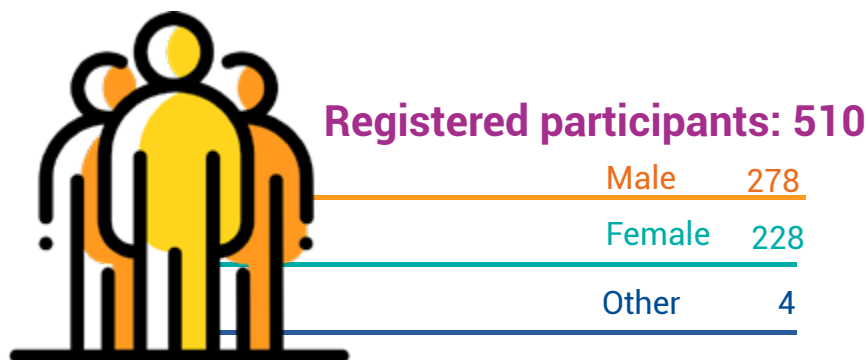
The ARISE Forum for the Americas and the Caribbean, held on 28 October 2021, provided an opportunity for the exchange of sound business practices and case studies on DRR and resilience between ARISE members and other key stakeholders across the Americas and the Caribbean. ARISE networks showcased their efforts to implement the four ARISE priority areas. Invited speakers highlighted potential areas of collaboration, challenges and opportunities regarding private sector engagement and public-private partnerships in DRR. They made recommendations on how private sector engagement can contribute, through

ARISE, to building resilience and influencing public policies on DRR in the region. Finally, the Forum served as a preliminary event to the VII Regional Platform for Disaster Risk Reduction in the Americas and the Caribbean.

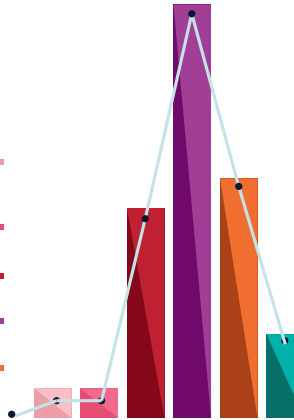
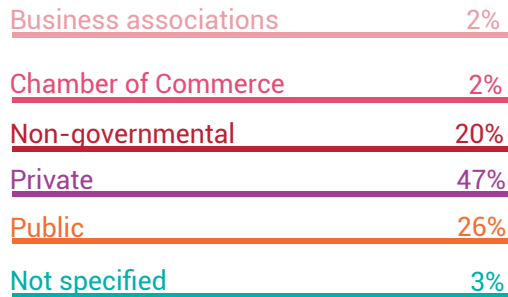


Participants

Significant participation of the private sector across the Americas was expected, as all 23 ARISE networks in the region were involved. Other key DRR stakeholders participated in the Forum, such as business associations, chambers of commerce, national disaster risk management systems in the region, intergovernmental organizations, as well as other strategic partners, including donors, international, regional and subregional organizations, United Nations agencies, multilateral organizations and bilateral cooperation agencies involved in DRR and private sector engagement.



Sectors represented















Session summaries

The following section presents a summary of the good practices, case studies and collaborative experiences promoted by the private sector under the ARISE initiative, as well as key messages presented during the Forum.

[Click here to access the session recordings](#)

1. Thriving SMEs: The relationship between resilience, competitiveness and sustainability

					
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YURI FERES Director of Corporate Social Responsibility of Cargill for Latam	YEZID FERNANDO CHILD Technical Manager, Colombian Security Council, Arise Colombia Focal Point	EDUARDO JOSE GONZALEZ Director of the National Unit for Disaster Risk Management - UNGRD	LUIS ALFREDO OF THE FOLIACO RIVER Administrative Manage - lik Ingeniería	EULICES CARDENAS Safety Director DLT Mining Operations	CARLOS SANTOS NIETO Vice President of Supply of Goods And Services of Ecopetrol

Key messages

- SMEs in the region are the backbone of economies, the source of employment for a large part of the population and account for a large portion of supply chains.
- Sustainability and DRR practices are not limited to organizational strengthening, in that they also seek to strengthen local systems.
- For companies to thrive, they must look beyond their own doors and promote a culture of resilience, competitiveness and sustainability to permeate customers and suppliers along value chains.
- When designing Business Continuity Plans as well as prevention and recovery measures, large companies must include strengthening the SMEs associated with their value chains and installing the appropriate capacities to transform business models.

Over the last decades, the Americas and the Caribbean have absorbed a large part of global losses due to the impacts of disasters. Studies, including the recently published UNDRR report *Reducing Risk and Enhancing the Resilience of SMEs to Disasters*, have shown that approximately 40% of small businesses affected by disasters never fully recover, when two out of three people work in SMEs in the region (OECD 2019). When a disaster strikes, SMEs are hit harder, suffer longer and are slower to recover than larger businesses. Challenges faced by SMEs to overcome their vulnerability to risks include their small size, limited access to financial resources, fragile value chain, little awareness about disaster risk management, with strategies focused on response rather than prevention. However, SMEs in the region are the foundation of economies, the source of employment for a large part of the population and account for an essential part of supply chains. This context provides an opportunity to learn from the experiences of the members of ARISE networks.

Project Transform

Transform is a global network of researchers and practitioners working with SMEs in countries around the world in designing sustainability experiments, building capacity and accelerating innovation. With the support of the ARISE networks in Colombia and Mexico, researchers collected case studies from Latin American and obtained a map of sustainable practices and implementation processes. Also included in the mapping were actors supporting sustainability and resilience in the private sector and connections with communities and other stakeholders in the cities. The lessons learned from this process contributed to a better understanding of how organizational strengthening can protect local systems from disasters. The project also provided guidance on identifying important activities that encourage and support disaster resilience practices.

It was found that by developing sustainability and resilience practices maps on business models, company managers could reflect upon the trajectory of their own company in implementing sustainable business decisions and related activities. The researchers uncovered that most SMEs implement sustainability practices out of conviction and not necessarily due to customer demands or legal requirements. At the same time, insufficient

emphasis has been placed on documenting and disseminating these practices, nor are they integrated into the supply chains in which SMEs participate. Through the development of practices maps processes, companies were able to find new allies that could support or maintain their sustainability practices and identify potential sources of funding, for instance by participating in private sector engagement initiatives and business associations.

Risk Management and Business Continuity for Small Businesses Project

The FENALCO-supported Risk Management and Business Continuity for Small Businesses project is implemented in Medellin, a city where the convergence of floods, displacement, earthquakes, bushfires and technological hazards results in a high level of vulnerability of the population. The project targets small trades ranging from hardware stores, warehouses, drugstores and pharmacies, clothing manufacturers, food suppliers and catering, including FENALCO’s members and affiliates, community networks and other stakeholders. Its two strategic lines, economic recovery and market systems and risk management policy, cover the themes of disaster risk management, business continuity, business formalization, access to financial credit and solid waste management. Four years into the project, 2,011 members have been trained and 2,189 traders reached. A total of 17 community networks have been created and 41 partnerships between public and private entities established. The project enables participants to identify natural hazards, physical risks, financial risks and work-related risks. As a result, traders have committed to improving electrical systems, upgrading commercial buildings infrastructure, acquiring fire extinguishers and adopting emergency plans. The importance of this project lies in improving the ability of traders to anticipate emergencies affecting their businesses and adopt emergency risk management measures that allow for business continuity. Traders are thereby empowered to identify how the context can affect their business and how this impact can in turn impact others.

2. Risk Transfer. The insurance system as a tool for prevention and resilience building



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CAROLINA PICHARDO

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KATIA NASH

Vice-president ARISE Argentina

Key messages

- Insurance coverage for droughts, designed in partnership with and regulated by national governments, can serve as a risk mitigation tool and lead to effective prevention strategies.
- Innovative risk transfer strategies need to be designed in coordination with the public sector, which can contribute, for example, by providing premium subsidies or establishing public-private partnerships. Such a consideration must be accompanied by pilot projects to verify feasibility.
- Risk transfer strategies must go hand in hand with risk assessments, early warning systems, anticipatory actions and financing and effective prevention approaches.
- Parametric insurance is founded on the idea that its design is adaptable to a wide range of contexts and needs.

Insurance is a proven tool for risk transfer and can be a valuable asset in preventing the collapse of businesses and ensuring their continuity during a crisis. However, our understanding of the insurance sector's contribution and of how risk transfer can accelerate disaster prevention and recovery continues to evolve. From a disaster risk management perspective, the role of relevant actors involved in risk transfer mechanisms, such as insurance companies, governments, chambers of commerce and others, must be better defined. Arguably, insurance can be an efficient disaster risk transfer mechanism, especially for small and medium-sized producers, whose limited coping strategies dramatically increase their exposure to risk. The session helped conceptualize risk transfer and explored how the insurance system contributes to strengthening the resilience of a region, an area or a country.

Reduction of food insecurity through drought assessment

The project presented by Grupo SANCOR Seguros outlines a specifically designed parametric insurance coverage model based on the 2020 OCHA Drought Report subtitled Preliminary Situation Analysis for Argentina. Public and private stakeholders have accepted its transparent indices through their collaborative work on the initiative. Unlike general insurance policies, this parametric insurance model is a product tailored to vulnerable families, using satellite indices to trigger compensation payments in the event of drought. Satellite images, climate indicators and field research are used to analyze whether vegetation and climate variations have exceeded agreed thresholds. If this is the case, an alert for the disbursement of the insured amounts is triggered. This system contributes to maintaining the purchasing power of targeted communities and stabilizes local market prices.

Targeting drought-prone provinces in the north of Argentina, the project aims to support low-income small scale farmers and livestock breeders. Dry spells directly impact their livelihoods and food production, leading to food insecurity and malnutrition. This type of insurance coverage design acts as both a risk mitigation tool and a catalyst for prevention strategies. In line with the Sendai Framework and the objectives of ARISE, it represents an ideal case study to discuss the importance of multi-stakeholder action involving the private sector, the non-governmental sector and the government. The role of the latter is fundamental, as the government has the power to provide an enabling environment to ensure the sustainability of the programme, through subsidies or a tax reduction.

The relevance of this insurance scheme can be improved by quantifying the degree of vulnerability of each community, developing strategies to increase economic and social well-being in the face of dry events and designing innovative approaches for the rapid release of funds. This leads to economic and financial stability and contributes to the rooting of communities, avoiding migration from rural to urban areas.

The satellite patterns and data used make it possible to quantify the risk of drought anywhere in the world, and the coverage can be extrapolated to other regions. The satellite index used makes the project easy to scale up and allows it to monitor different crops such as soybean, corn, cotton and others, which provides flexibility in selecting a community to run a pilot project.

Although it does not cover 100% of losses, the insurance enables producers to maintain their production at a level that ensures the continuity of harvests. Over time, the data collected will generate a database that will be used to improve the accuracy of the programme's weather and drought monitoring tools.

The role of governments in partnering with the insurance sector for DRR

In Argentina, the Rural Agro-industrial System Risk Management Program (GIRSAR, according to its acronym in Spanish) emphasizes the importance of moving from crisis management to comprehensive risk management. This six-year programme ran from 2014 to 2019 with the financial support of the International Bank for Reconstruction and Development (IBRD). It covered three components: strengthening information systems, investing in risk mitigation and promoting risk transfer instruments to improve agricultural emergency response tools.

Component 1 is regarded as a fundamental concern of the public sector, as the lead entity for early warnings. Relevant ministries should develop joint actions with the National Meteorological Service, the National Institute of Agricultural Technology and the National Commission for Space Activities. In parallel, Meteo France International supports the strengthening and integration of meteorological networks, an essential aspect for the development of Early Warning Systems and informed decision-making.

Component 2 focuses on risk mitigation, such as infrastructure projects to manage excess water, irrigation networks and others, implemented in cooperation with local governments. Additionally, the component provides economic incentives for producers to adopt resilience-building technology. These measures are complemented with training and technical assistance.

Component 3 addresses the development of risk transfer and emergency response instruments. It involves the strengthening of national and local capacities through a geo-referenced platform for risk management and the development of a systematized methodology for damage and loss assessments. The latter is supported by FAO and the International Development Bank of Latin America, which ensures that the approach is compatible across countries.

An example of the programme can be found in Buenos Aires, where 1,500 horticultural and floricultural producers benefit from an insurance scheme with premiums subsidized by the local government. The programme also provides training in the use of financial instruments, as the targeted producers tend to be unfamiliar with the use of insurance to finance risks.

In the framework of this initiative, the government is working on Pilot Insurance Plans 2021-2024, focusing on droughts, and is considering both the possibility of multi-risk insurance and the inclusion of risks excluded from the traditional insurance market offer. Further analysis is being undertaken to link agricultural insurance with credit, tax incentives and premium subsidies, education in risk prevention and management, education for small-scale producers and development of inter-institutional technical cooperation, involving the government, NGOs, insurance companies, producer associations, the science and technology community and academia.

Risk transfer as an option for resilience

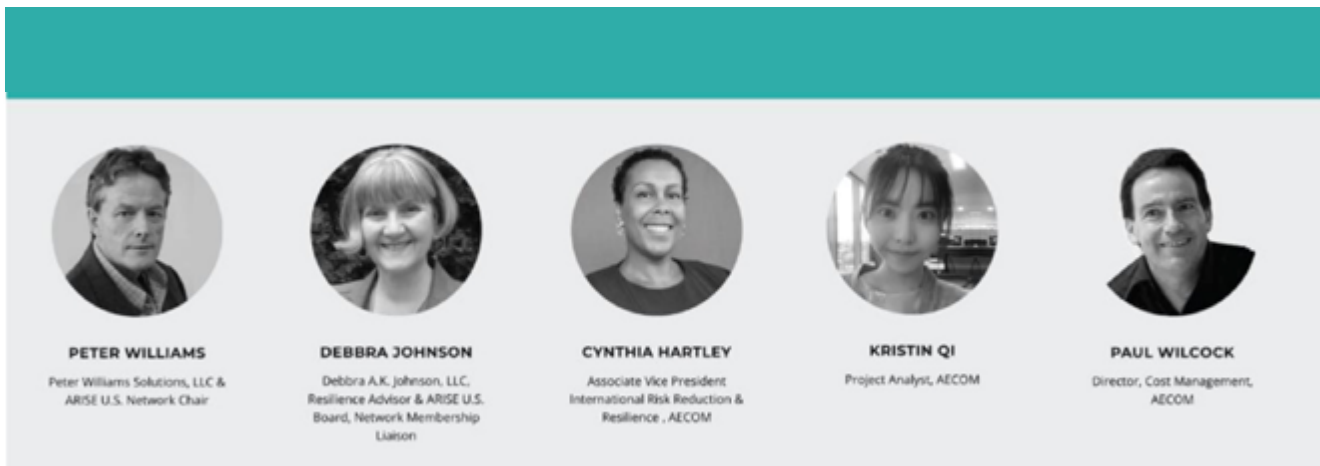
Effective risk management and prevention requires public-private coordination and partnerships. The insurance industry plays a strategic role as a risk manager and risk taker. Beyond providing financial resources for resilience, it acts as a catalyst for solutions to address the interruption of value generation processes due to disasters.

In the case of the Dominican Republic, social factors combined with its exposure to tropical storms, floods, droughts and earthquakes result in high vulnerability. This creates an additional challenge for economic and social development. The risk-sharing approach is becoming more and more relevant to supporting protection mechanisms and raising awareness on prevention. Together with the design of insurance schemes, these awareness-raising initiatives will result in more inclusive offers with favourable conditions. Raising awareness and fostering a culture of protection as an element of transformation translates into enhanced opportunities for innovation.

Seguro Universal has paid particular attention to its prevention and protection programme. Not only does it accompany the client, but it also implements emergency risk management plans that reduce accidents and human losses, protect assets, maintain business continuity while asserting its social commitment. In addition to the traditional insurance offering, parametric solutions are available, providing options and scopes complementary to the conventional insurance market. The coverage provided by the parametric insurance modality does not seek to compete with traditional insurance. Instead, it is a complementary option that comes to fill different spaces or approaches.

The role of insurance in reducing disaster risk is to address long-lasting economic and social losses by translating them into opportunities for safer and more resilient communities and economies. By reducing the impact of diverting public and private funds to disaster prevention, response and recovery activities, insurance stimulates development and provides greater access to affordable products to help communities cope with the uncertainty of adversity and the economic hardship of unexpected losses.

3. Cost and Benefit modeling for Resilient Infrastructure



Key messages

- Governments and the private sector bear the responsibility to position capital investments efficiently and effectively to promote the interconnection of critical infrastructure and systems, especially in urban areas.
- The Cities Cost Model is an example of a free, user-friendly, web-based critical infrastructure tool that estimates the costs of developing infrastructure and relocating or developing a new city in any part of the world, as a mechanism for future urban planning.
- AECOM has adapted its Cities Cost Model tool to help governments and the private sector reach their goals, by including considerations related to natural hazards, such as earthquakes, flooding, storms and rising temperatures, and showing how the private sector can contribute to risk assessment and management through data and technology transfer.
- The tool produces outputs to stimulate investment in resilience or infrastructure in any habitable place.
- Participants were encouraged to engage with this initiative and provide guidance and advice on its development in an interactive workshop.

Infrastructure damage and disruptions caused by natural hazards have shown the need to invest in critical solid infrastructure assets, as underscored by the Sustainable Development Goals, in particular SDG 9 and SDG 11. The availability of resources and the identification of how to allocate them appropriately have been two significant challenges to achieving these goals. At the same time, governments and the private sector bear the responsibility to invest capital efficiently and effectively. AECOM, as a member of ARISE with expertise

in the infrastructure sector, has developed the Cities Cost Model tool, a free, user-friendly, web-based tool that estimates infrastructure costs for relocating or developing a new city in any part of the world. To support governments and the private sector in their endeavors, AECOM includes considerations related to natural hazards, such as earthquakes, flooding, storms and rising temperatures.

One of the aims of the session was to collect views, data and information from peers and to invite participants to engage with this initiative and provide guidance and advice on its development. Such collaboration can improve the factors considered in mitigating the damage and losses resulting from the increased occurrence of natural hazards and other investment decisions that do are not risk-informed.

The Cities Cost Model tool¹

The model incorporates best practices in urban design, transport, utilities and physical and social infrastructure, and assesses how these elements interact to shape the functions of a new city.

The tool uses spatial models and precedent images to generate a range of outputs on the per capita and total cost of strategic and critical infrastructure. Users can instantly compare the impacts of population density, climate, demography and geology on a given city, and appreciate how these factors interact with each other. The tool thereby enables users to assess the best fit for their proposed development model.

The model is designed for a population range of 50,000 to 2,000,000. However, if a user requires a smaller or larger number, AECOM is able to adapt the model and provide expert advice. Users can also resort to the recent Garden Communities Cost Model, which looks at some of these elements on a smaller scale. As part of the ongoing efforts to improve the relevance of the initiative, the tool will include scenarios that will cover the whole of the Americas and a population range of 10,000 to 1,000,000.

The tool seeks to mitigate the risk of hazards and compares options against a “business as usual” scenario. The model is based on pre-populated existing data, thus overcoming the highest obstacle to its use, leaving the user to define the investment conditions to engage with public and private sector operators. Scenario testing within the model enables users to assess how hazards impact critical infrastructure assets and mitigation measures. The model then produces outputs that are useful for investments in resilience or infrastructure. Improvements allow the model to work with scenarios that include six hazards: earthquakes, heat waves, riverine floods, sea-level rise, storm surge and wind.

Visit the “Cities Cost Model” tool:
<https://ccm.aecom-digital.com/>

¹ Source: Cities Cost Model, accessible at <https://ccm.aecom-digital.com/>

4. Designing Business Continuity Plans: Lessons learned from COVID-19 and a multi-hazard context



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BRIAN LOUISY

Chairperson | ARISE CARICHAM



SOPHIA CRAIG MASSEY

McAllister & Craig Disaster Management Inc. ARISE Canada

Key messages

- In addition to leading powerfully and effectively, governments must DEAL (Drive, Educate, Assist, Leverage) with the private sector.
- CARICHAM, in collaboration with UNDRR and ARISE Canada, created the businesses Continuity Toolkit, available to all business, especially SMEs, which combines elements of risk assessment, emergency risk management and BCP.
- Business Continuity Plans (BCPs) are essential to the resilience of the private sector and, together with the public sector, have a crucial role to play. The private sector must work towards the development and continuous readiness of BCPs (even in the simplest form). In turn, the public sector must create an enabling environment for these plans to succeed.
- Making businesses resilient to shocks and capable of achieving resilience requires strengthening business management, as a critical driver of this process.
- Supply chain resilience can be achieved by fostering mutually beneficial and ethical relationships with suppliers and including them in initiatives to empower SMEs.

Business Continuity Plans (BCP) are vital to enhancing the resilience of the private sector. Many risks and shocks threaten the survival of businesses in the Americas, the Caribbean and beyond. Moreover, these occurrences have intensified in strength and frequency in recent years. The impacts of the COVID-19 pandemic and other multiple hazards have brought to the fore the need for businesses to prevent and mitigate the risks they face to enhance their resilience. In addition to the role of the private sector in building resilience, governments have a crucial role to play as catalysts to ensure the successful implementation of BCPs. When the government fulfills its role in providing the necessary enabling environment and support, the private sector becomes more resilient and is better equipped to prevent and mitigate disaster risk in the communities in which it operates.

The role of governments

The uncertainty of the impacts of hazards and subsequent crises requires a proactive approach to keep systems, including private businesses, functioning as a critical element of society. Business Continuity Plans aim to achieve this objective, seeking to protect people and assets such as staff, equipment, technologies and intellectual capital. They also enable individual organizations to minimize business interruptions, ensure stability and guarantee an orderly recovery.

Business Continuity Plans are based on a three-pronged approach, focusing on infrastructure (physical building, IT and equipment), people and processes (business functions). Governments can contribute extensive experience in risk and crisis management, derived from their leadership role in developing and enforcing disaster risk management policies, strategies and plans for all actors in society, including the private sector. To transfer experience to the private sector, a DEAL must be struck. Governments must act as a *driver* within the private sector to promote the development of shock-responsive businesses, *educate* relevant stakeholders through training and other development opportunities, *assist* businesses in their BCP implementation requirements and *leverage* opportunities to create synergies between actors and sectors.

The experience of Massy Stores (SLU) Ltd.

The outbreak of the COVID-19 pandemic was followed by a scarcity of supplies, leading to shortages and food security concerns. Usually reliable flows from foreign suppliers were suddenly unavailable, a phenomenon exacerbated by the interruption of shipping logistics. This situation placed the spotlight on local SMEs and their supply chains, as experienced by Massy Stores (SLU) Ltd. Three lessons were learned from this experience of dealing with multiple hazards:

- Lesson 1 – Implementation of a “know your supplier” strategy: Massy set up a Local Supplier Management System and a dedicated resource desk to support local suppliers. Key SME suppliers were identified and participated in a process to understand their capabilities and challenges. Massy shared its BCP for COVID-19 and supported the development of similar plans for its suppliers, as well as alternate supplier strategies.
- Lesson 2 – Strategy is driven by policy: The Managing Director of Massy tasked his teams with supporting and finding new ways to strengthen the Buy Local campaign. The teams met with local authorities and organizations and established an internal policy to identify local alternatives to imported products, with a focus on SMEs. They also enhanced their already established financial and technical assistance programmes.
- Lesson 3 – Empowering local SMEs: Resilience is the key component of Massy’s strategy. The company created market share through product placement, used multi-media channels to promote products and diversified by offering new items to replace “essentials” and imported goods.

The experience of Grupo ITSA

Grupo ITSA, a design and construction company from Guatemala, identified the importance of strengthening management models to be better prepared and achieve the necessary levels of resilience in the face of disaster risk. For this purpose, prior to the pandemic, the company updated its management systems to improve its business models and offer continuous training opportunities to staff and direct suppliers, in line with its Business Continuity Plan. Regarding the vulnerability of the company, emerging hazards and risks were identified and understood, allowing for the early establishment of effective adaptation measures, implemented through an integrated management system. These measures included, for example, setting up an early procurement process with suppliers and adopting biosecurity measures such as facial masks and social distancing practices at the workplace during the pandemic.

The ARISE Caribbean Business Resilience Toolkit, a good practice from the private sector for SMEs

www.caribbeanchambers.net/caricham-bcp

The Network of Caribbean Chambers of Commerce (CARICHAM), together with ARISE Canada and in collaboration with the UNDRR Regional Office for the Americas and the Caribbean, has designed a Business Continuity Planning Toolkit, available free of charge, which aims to provide guidance for businesses across the region.

The Toolkit outlines five steps:

1. Assess your business
2. Assess the risks
3. Develop strategies
4. Make a plan
5. Test/Assess your plan

Companies using the Toolkit are encouraged to take not only disaster preparedness measures, but to consider long-term alternatives to prevent and reduce risks within their operations and in the communities in which they operate, as well as to assess risks using a multi-hazard approach. The Toolkit includes a guide to completing a BCP, a corresponding template and audio-visual guidance material, as well as references, sources of information and key contacts. The guide and the template are designed to work together. Through the CARICHAM network, trainers were trained to assist companies in applying the Toolkit.

Challenges and next steps towards business resilience and sustainability

This section compiles the key messages presented during the high-level session of the Forum.



MAMI MIZUTORI

Special Representative of the
United Nations Secretary for
Disaster Risk Reduction

Boosting the engagement of the private sector in the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030

The private sector and indeed governments and all stakeholders need to acknowledge more fully that disaster risk reduction and prevention pays off. Despite COVID-19 and the ongoing climate emergency, some still believe that disaster risk reduction is not an investment but a cost. It is known that of all official development assistance provided in the event of a disaster, only fifty cents out of every \$100 are allotted to prevention, with the remainder being spent on response and recovery. On average, only 1% of country fiscal budgets are allocated to disaster risk reduction and prevention. This underscores the need to further discuss and commit to this work.

At the same time, the private sector is leading the way in many areas, as attested by the work of the ARISE Network. One crucial area of focus are SMEs, as they make up most of the private sector but are also the most vulnerable. SMEs do not need to be impacted by major disasters to experience difficulties in recovering. Many SMEs have Business Continuity Plans, but their essence focuses more on response and recovery and less on disaster risk reduction. A priority action for the private sector is to invest in resilient infrastructure and sustain essential services during crises. Investing in infrastructure is not only positive for the general public, it also provides good insurance and makes the recovery of businesses more likely. This is the basis for the concept that insurance is not only about protection but also prevention. Insurance companies are faced with high claims after disasters, resulting in higher premiums that many businesses cannot afford. Minimizing losses also improves access to insurance.

The mid-term review of the Sendai Framework for Disaster Risk Reduction 2015-2030 will conclude in 2023. Governments and all stakeholders should use this opportunity to take stock of achievements, gaps and challenges and collectively enhance their commitment to implementing the Sendai Framework.



**CLAUDIA HERRERA
MELGAR**
Executive Secretary of
CEPREDENAC

CEPREDENAC's contribution to growing public-private partnerships and intergovernmental coordination

Since 2019, Central America has been affected by the impacts of the COVID-19 pandemic, as well as of some 30 hydrometeorological and geological events. The partnership facilitated by ARISE and UNDRR has strengthened Central America and the Dominican Republic. CEPREDENAC seeks to consolidate disaster risk prevention, mitigation, response and recovery efforts in a dynamic, interactive and accessible way. Its mission is also to contribute to reducing vulnerability as part of the comprehensive transformation and development process of Central America and the Dominican Republic.

CEPREDENAC is working on a resilience-building analysis, bringing together national ministries in an effort of international cooperation. Within this framework, the private sector is strengthened too. For example, the tourism sector in Central America has benefitted from a tool to reduce and prevent climate risk and promote sustainable tourism. Further work has been conducted in knowledge management and capacity strengthening, analysing business risk scenarios and contingency plans. This information is used to support start-ups, reduce their vulnerability and provide incentives for quality and sustainable practices. Additionally, with the support of UNDRR, the private sector is offered geospatial resources to strengthen its planning and investment efforts. The availability of information, data and good practices should continue to be an integral part of public-private partnerships to ensure that all private and public investments are risk-informed.



**PILAR GARRIDO
GONZALO**
Minister of Planning and Economy
Of Costa Rica

Overcoming the main challenges of public-private partnership

In Costa Rica, the National Emergency Commission is the lead agency that articulates the work carried out by the various risk management systems in the country. It includes regional and municipal committees that promote coordination between sectors and institutions, connecting local and national levels. The participation of each institution is captured in the National Risk Management Plan, which outlines the coordination mechanism between them and recognizes ARISE as a risk governance mechanism to coordinate actions with the private sector. A yearly National Risk Forum allows stakeholders to assess progress, report and discuss priorities, including private sector actors, who are a key element in the discussions on investment, planning and DRR.

The National Risk Management System is closely tied to the National Public Investment System and the National Planning and Financial Administration

System. This configuration allows for a coherent approach to investments in resilience under the guidance of the National Emergency Commission. This approach is reflected in project development processes, which incorporate hazard and risk considerations at all stages, from conception and design to implementation. The involvement of the private sector is essential to identify critical infrastructure and develop the necessary financial protection instruments.



HANS-PETER TEUFERS
ARISE Vice-Chair

Ensuring the transition of the private sector from an emergency response donor to an implementer of disaster prevention and preparedness strategies

Companies require guidance and cooperation opportunities to funnel their limited resources into the proper channels, maximizing potential goals. One way of doing this is to support UNDRR and its knowledge-sharing processes.

Another vital element is the importance of small and medium-sized enterprises on which large companies often depend. This dependence speaks in favour of supporting these small and medium-sized companies by making them aware of the importance of Business Continuity Plans. One way of achieving this is through UPS's free "Resilience in a Box" tool and training resources, which have been translated into multiple languages. For these training courses to have a real impact, scaling up is necessary. To reach this wider coverage, it is necessary to understand how business decisions are taken and how these can include disaster risk reduction.

Shared value and cooperation are key elements to boost private sector engagement. Shared value has three different meanings for the private sector. First, value sharing is the foundation for joint action; second, sharing the value of the outcome with the value proposition of shareholders must be matched reasonably; and last, sharing the work is needed to reap the rewards together. This principle should be applied to the intensification of risk reduction and prevention efforts.

Watch online:

This section summarizes the participation of private sector engagement initiatives working with ARISE to promote disaster risk reduction and resilience.

Turbo Talk: The Role of Private Sector Networks in Disaster Preparedness, Response and Recovery



KAREEM ELBAYAR
Programme Coordinator, UNDP-
OCHA Connecting Business
Initiative (CBI)

Turbo Talk: Business & Community Resilience



ROMAIN SIBILLE
Regional Business Engagement
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