



ITU-GSMA Regional Training Workshop on ICTs for Disasters Management for Arab States

Khartoum, Sudan 28-29 August 2017

Role of Private Sector Organizations in Disaster Risk Reduction and Management

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Private sector contribution to DRM

- Voluntary communities and NGOs such as Save the Children, Oxfam, CARE, and others are becoming more involved in disaster response.
- Primary responsibility lies with the government
- Government's shortfall is delegated to private sector
- Government, companies and regional organizations collaborate to increase efficiency





Why private sector engagement?

Disaster-related economic loss trends

1. Disaster-related economic losses amount to hundreds of billions of dollars annually, and are projected to double by 2030. Since 1992, over \$2 trillion in damages have occurred.
2. Between 70 to 85 per cent of all new investment is generated by the private sector.
3. Institutional investors currently manage assets worth more than \$80 trillion globally; much of this is given limited consideration to disaster risk.
4. In the years ahead, trillions of dollars will be invested in hazard-exposed regions. If those investments fail to take into account natural hazards and vulnerabilities, risk will continue to accelerate.
5. Currently, the globe's top 600 cities account for half of the Global GDP and this is expected to increase to 60% by 2025,* creating concentrations of highly vulnerable and/or exposed wealth and assets.



Sources: 1: UNISDR 2013c, 2: Citilab 2012



Business continuity plan (BCP)



- BCPs help business owners make plans by identifying potential risks.
- **Great East Japan 2011 earthquake:**
- Great East Japan Earthquake (2011), APEC EPWG initiated 3-year, 2012 ~ 2014, BCP to strengthen resilience at small and medium enterprises.
- The multiple-year project (MYP) benchmarks business continuity plans.
- **Corporate Social Responsibility**
- CSR initiatives addresses underlying issues of vulnerability and disaster risk





Good practices for private sector's participation in DRR

- 1) Building resilience in the economy
- 2) Partnerships for building resilience in the communities
- 3) Risk reduction during the reconstruction process
(construct better)
- 4) Joint efforts for strengthening organizational resilience
- 5) Joint efforts for strengthening resilience in infrastructure
- 6) Partnerships in risk transfer through agricultural insurance.





Roles of private sector in DRM

- **Philanthropic-** grants in kind or cash
- **Contractual-**Contracting other organizations or groups to carry out work for public benefit.
- **Collaborative-**Working partnerships with other organizations and groups for public benefit.
- **Adversarial-**Business response to lobbying about human and environmental impact on business activities.
- **Unilateral** -Enterprises undertake their own non-commercial actions independently of other actors.





Mobile networks DRM response



- Smart Communications (Philippines) - community preparedness and mitigating cyclone damage.
- **Asiacell** (Iraq) - developed a call centre with a local government ministry to provide support to Syrian and Iraqi refugees.
- **RefUnite** : DRC, Somaliland, Somalia, Jordan, Turkey, Iraq, Philippines, Egypt and South Sudan. RefUnite also partners with a number of humanitarian organisations and Ericsson.
- **Internews** connects families to aid in Gaza
- **Ooredoo** responds to a Water Crisis in the Maldives





Regional networks in DRM



- **Association of Southeast Asian Nations (ASEAN)**
 - ❖ Relief efforts & funding for member states.
 - ❖ Proactive engagement in Cyclone Nargis 2008
- **South Asian Association for Regional Cooperation (SAARC)**
 - ❖ Disaster Risk reduction
- **Asia-Pacific Economic Cooperation (APEC)**
 - ❖ The Emergency Preparedness Working Group (EPWG) actively responded to Indian ocean Tsunami that affected Thailand, Indonesia
- **Asia Foundation**
 - ❖ Community resilience to natural disasters and climate change





THANK YOU

