

UN and Business Leaders Meet on Disaster Risk

PwC, Citi, Walmart, UNISDR, Japan, UNDP Share Best Practices

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Hurricane Sandy was a cogent reminder of the mounting concern of governments and business about natural disasters. Floods, typhoons, and earthquakes in 2012 caused more than \$274 billion of economic losses in Asia, and in 2011 in Thailand alone floods shut down 1,000 factories and forced more than 700,000 people out of work. The toll on lives, businesses, and national economies has led to strong interest in finding ways to reduce and manage disaster risk.



Jordan Ryan, UNDP; Carlos Castillo, PwC; Elina Palm, UNISDR; Steve Dozier, Walmart

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The **Business Council for the United Nations**, with the support of **PwC**, held a panel event in New York on December 4, "Disaster Risk Management: Preparedness and Resiliency" where representatives from the private and public sectors shared how they are working together to improve the resilience of communities around the globe. Panelists included **Ambassador Jun Yamazaki** of the **Permanent Mission of Japan to the UN**; **Elina Palm**, head of the New York office of **UNISDR**; **Steve Dozier**, a vice president of **Walmart**; **Filippo Sabatini**, a managing director at **Citigroup**; and **Carlos Castillo** of **PwC**. **Jordan Ryan**, assistant administrator and director at **UNDP's Bureau for Crisis Prevention & Recovery**, moderated the panel. The event was attended by 100 leaders from the private sector, UN Permanent Missions, and others in the UN system.

Resilience is the ability to recognize and rapidly and effectively adapt to changes. In the context of disaster, preparedness for different conclusions elevates the level of resilience. No one approach will fit all outcomes, but there are some common preparedness techniques – for example communication among key officials in the public and private sectors, testing of infrastructure, education efforts – that can be applied. One panelist noted that for every dollar spent on mitigation and preparedness activities the ROI is between \$4 and \$11, adding that preparedness efforts are less “glamorous” than response and recovery efforts, but ultimately are more effective.

PwC, which has been working with the UN Office for Disaster Risk Reduction for over a year, has been collecting and synthesizing data for a framework that can be applied on a global platform. The insights and

best practices from this global study will be used in conjunction with the UN's 2013 Global Assessment of Risk report to be published in May 2013. The findings will be used as a springboard to establishing better alignment between the private and public sectors for disaster prevention and set the scene for the soon-to-be-updated Hyogo framework in 2015.

“As the number and severity of natural disasters increases at an alarming rate, this framework is a pragmatic approach to combat the devastating impact before it starts”, said Carlos J. Castillo of PwC. He boldly claimed that “all disasters are preventable.” Disasters can be prevented through risk-based preparedness and mitigation efforts, leading to enhanced resilience. The PwC and UNISDR partnership is distinct from prior PPPs, he said, because its approach involves incorporating leading practices from the private sector at a global scale with UNISDR leading practices in community disaster risk reduction.

While there is a clear benefit for the public sector when it comes to these partnerships, what’s in it for a corporation is sometimes less obvious. Other than positive PR, goodwill generation, and a checkbox for CSR efforts, why should these global corporations spend their time and money on a partnership with a non-revenue generating organization? Steve Dozier, vice president, **Walmart**, highlighted the interdependence of



Steve Dozier, Walmart; Filippo Sabatini, Citigroup; Ambassador Jun Yamazaki, Permanent Mission of Japan to the United Nations.

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Ambassador Yamazaki of the **Japan Mission** said the issue of natural disasters was strong on the minds of the Japanese people even before the great earthquake of 1 1/2 years ago, and the private sector has long had a seat at the table. Yet, the ambassador said he’s witnessed a much stronger presence of the private sector in this dialogue recently. “A lot of Japanese people work for the private sector and I think they feel that this is something the whole fabric of society really needs to address. The private sector is one of the most important actors in this whole endeavor”.

Jordan Ryan shared how UNDP partners with **DHL** to enhance the preparedness and capacities of international airports to manage a sudden increase in the flow of goods and humanitarian assistance in the aftermath of large scale natural disasters. The most recent preparedness training was held at the Beirut International Airport. Beirut has the only operational commercial airport in the country, and the U.S. had exports worth over a billion dollars to Lebanon in 2011 alone.

A local U.S. example with global implications was shared by PwC's Castillo from his experience as Miami-Dade County Florida emergency management director. The County formed alliances with the universities and

its associates, stores, and communities following a disaster. Dozier noted that the more rapidly their stores and other businesses can reopen and provide critical goods and services following a disaster, the more resilient communities become. This depends not only on Walmart’s helping support its own associates which allows them to return to work sooner so stores can reopen, but also relying on the government’s help when it comes to assisting the private sector with crucial infrastructure needs, which in return helps communities recover more quickly.

Asked if public policy will see greater involvement of the private sector in dealing with disasters,

corporations with a local presence to harden their facilities against hurricanes, thereby reducing the need to find additional evacuation shelters for their students and staff.

At the time of the great east Japan earthquake of March 2011, many of the students attending elementary and junior high schools in Kamaishi City, Japan, saved themselves on their own from the tsunami thanks to prior disaster evacuation education and drills.

Citi's mobile banking platform supported citizens' needs processing an important volume of transactions during Sandy. Filippo Sabatini, Citi Transaction Services public sector head, noted that Citigroup has developed a consistent approach for disaster management across their main businesses—from the institutional group to retail banking—and they regularly test and enhance their continuity of business plans. “We are leveraging our own experience to also advise and offer expertise to our clients. For example, we act as advisors to our public sector clients and work with them to ensure financial systems operate in potential disaster emergencies in the countries where we are present. There are many other factors which governments have to address after a disaster”. He said, “Financial and operational resilience is so critical because unless there is a robust financial backbone, governments won't be able to take care of the rest”.



Oz Ozturk, PwC

Photo: www.deutschphoto.com

Jordan Ryan, drawing on his experience with the United Nations in different countries, offered a perspective on how disaster risk management is evolving within the international aid community. “There has been a growing appreciation of the role of the private sector in disaster risk management, which is not only limited to what the private sector can contribute in terms of financial resources, but also in terms of technical skills and capacities. To draw on the best of the private sector requires a truly collaborative approach where knowledge is shared in a much more open and productive way”.

Combining the intelligence and wisdom underlying partnership examples to produce an applicable global framework has far-reaching economic, social and environmental implications. In the wake of disaster, the PwC and UNISDR holistic framework is hoped to give “normalcy” – an underappreciated luxury – more often.

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Produced by Evgeniya Ezhova. Evgeniya is an intern for BCUN, and an International Relations graduate of LaGuardia Community College.



Allison MacEachron

Director, Business Council for the UN

A program of the United Nations Foundation

801 Second Avenue, New York, NY 10017

212 907-1386

AMacEachron@unfoundation.org

www.bcun.org