ECLAC Virtual Seminar

Public Private Partnerships in Disaster Risk Reduction

Nahuel Arenas and Lizra Fabien
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Increasing disasters, escalating losses

1980-1999
- Reported disasters: 4,212
- Total deaths: 1.19 million
- Total affected: 3.25 billion
- US$ Economic losses: 1.63 trillion

2000-2019
- Reported disasters: 7,348
- Total deaths: 1.23 million
- Total affected: 4.03 billion
- US$ Economic losses: 2.97 trillion

Recorded disasters and economic losses almost doubled in last 20 years
Economic losses by continent

Breakdown of recorded economic losses (US$) by continent (2000-2019)

- **Americas**: $1.32 trillion (45%)
- **USA**: $1.03 T.
- **Europe**: $271 billion (9%)
- **Africa**: $27 billion (1%)
- **Oceania**: $82 billion (3%)
- **Asia**: $1.26 trillion (43%)
  - Japan: $439 B.
  - China: $482 B.

#ItsAllAboutGovernance
#DRRday

The Americas and Asia dominate economic losses from disasters.
Economic losses as % of GDP

Small island states suffer large losses from storms, floods and earthquakes

Top ten countries/territories by economic losses as % of GDP (2000-2019):
- Bahamas: 4.3%
- Turks and Caicos Islands: 5.8%
- Puerto Rico: 3.5%
- Grenada: 7.8%
- Brazil: 5.1%
- Bermuda: 4.7%
- Dominica: 15%
- Haiti: 8.0%
- Samoan Islands: 9.1%
- Guyana: 3.6%
Systemic Risk in the Caribbean

**COVID-19**

1. **Current Context**
   - Dependence on foreign tourism (G,R)
   - Coastal Populations and urban centers (N)
   - 90% of Caribbean economies are in coastal areas (R)
   - Poor (Coastal) Infrastructure (L)
   - Low agricultural production and high imports (G)
   - Vulnerability to weather and climate extremes (L)
   - High debt to GDP ratio

2. **Multiple Stressors**
   - Inter-regional Displacement (R)
   - Strong dependence on external markets
   - Low remittance lows
   - Potable water access
   - Food Insecurity
   - Low demand on tourism services
   - Sargassum development
   - Impact, relief & recovery cycle with limited mitigation or proactive investments
   - Low level of insurance
   - Adequacy medical facilities
   - High mental stress levels

3. **Sudden & gradual Tipping Points**
   - Very active hurricane season
   - Potential for multiple hurricane impacts
   - Supply chain disruption
   - Potable water supply for tourism services during the dry season
   - Post disaster migration
   - Inter-regional Displacement
   - Strong dependence on Remittance Flows

4. **Multiple Systemic Failures**
   - Pandemics
   - Unavailability of services and goods for basic needs
   - Inaccessibility of disaster sheltering
   - Overwhelmed disaster response capabilities
   - Reduction of financial capabilities to meet basic needs
   - Continuous disruption of basic services
Sendai Framework for Disaster Risk Reduction 2015-2030

- From managing disasters to managing risks
- 4 priorities:
  1) Understanding of risk
  2) Risk governance
  3) Invest in disaster resilience (incl. PPPs)
  4) Improve preparedness, response and build back better.
- Whole of society approach
Risky business

The different dimensions of disaster losses, impacts and effects on business

DIRECT LOSSES
Complete/partial destruction of immovable assets and stock (including damage to factories, office equipment and final goods, goods in process, raw materials, materials and spare parts).

INDIRECT LOSSES
Are incurred due to business interruption, as a consequence of direct losses or due to impacts on a business’ supply chain, potentially impacting other clients, partners and suppliers. As a result, business output and revenue falls, affecting profitability.

WIDER IMPACTS
Refer to other consequences such as loss of market share, competitors taking clients, labour shortages, severed relationships with suppliers, costlier or constrained insurance, and negative effects on business image and reputation.

MACROECONOMIC EFFECTS
Arise through all the above losses and impacts and can in turn negatively affect business performance, reflecting the manner in which disasters impact on the economy of a country.
Small enterprise – huge risks

Smaller companies see larger impact from COVID-19

ARISE

19 National Networks

9 Caribbean Networks

2 Sub Regional Networks (CARICHAM + IntegraRSE)

4 Global Board members from the Americas & Caribbean
From Shared Risk to Shared Value

01: Turning disaster risk management into a business opportunity
02: Disclosing the disaster risk balance sheet
03: Integrating disaster risk information into investment decision
04: Building Public-private risk governance
05: Moving from business continuity to comprehensive business risk management and disaster risk reduction
Public-private partnerships (PPP) are necessary to reduce disaster risk.

Both public and private sector investment in disaster risk prevention and reduction strengthens economic, social, health, environmental and cultural resilience.

Sharing of knowledge, skills, networks and finance, between public and private sector organizations is critical to the success of PPP initiatives.

Pooling of financial resources between public and private sector organizations is a key enabler to effective investment in DRR.

Both public and private sector investment in disaster risk prevention and reduction strengthens economic, social, health, environmental and cultural resilience.

Successful and sustainable development is achieved through the involvement of all stakeholders in an integrated governance framework for an integrated risk management.

—UNDP et al. (2014), “Disaster Risk Reduction makes development sustainable”
PRIVATE COLLABORATION WITH PUBLIC SECTOR IN THE MANAGEMENT OF COVID-19

01 Main private sector interlocutor when the shut down was announced and main vehicle for information sharing on Government policy

02 Get private laboratories certified to provide tests and the methodology for the results from those labs were fed into the public health system

03 Helped and facilitated primary contact tracing methodology at work situations

04 Participated on the COVID-19 Task Force to support the development of protocols for quarantine, definition of essential services, among other tasks

05 Proposed and supported the implementation of activities to increase economic activity

06 Data collection and management of call center among and for private sector to increase relevant information and decision making to mitigate the impact of COVID-19

07 Organized webinars on a regular basis to inform companies’ owners and employees

08 Donated masks and other sanitation products to essential workers

09 Share regular updates on sectors to support enhanced decision making
KEY ELEMENTS IN SUPPORTING THE ECO-SYSTEM FOR PUBLIC PRIVATE PARTNERSHIP

- Financial Ecosystem (Access to Capital)
- Governance Continuity
- Legislation, policies and procedures requires constant review (Legal and Regulatory Framework)
- Business Continuity Planning for both public and private sector
- Functioning Stakeholders
Thank you

Nahuel Arenas: nahuel.arenasgarcia@un.org
   @niankul23

Lizra Fabien: lizrafabien@gmail.com
   @FollowDAIC