



# THE PRIVATE SECTOR AND DRR FOR RESILIENCE

**Jack Radisch**

Programme Manager

OECD High Level Risk Forum

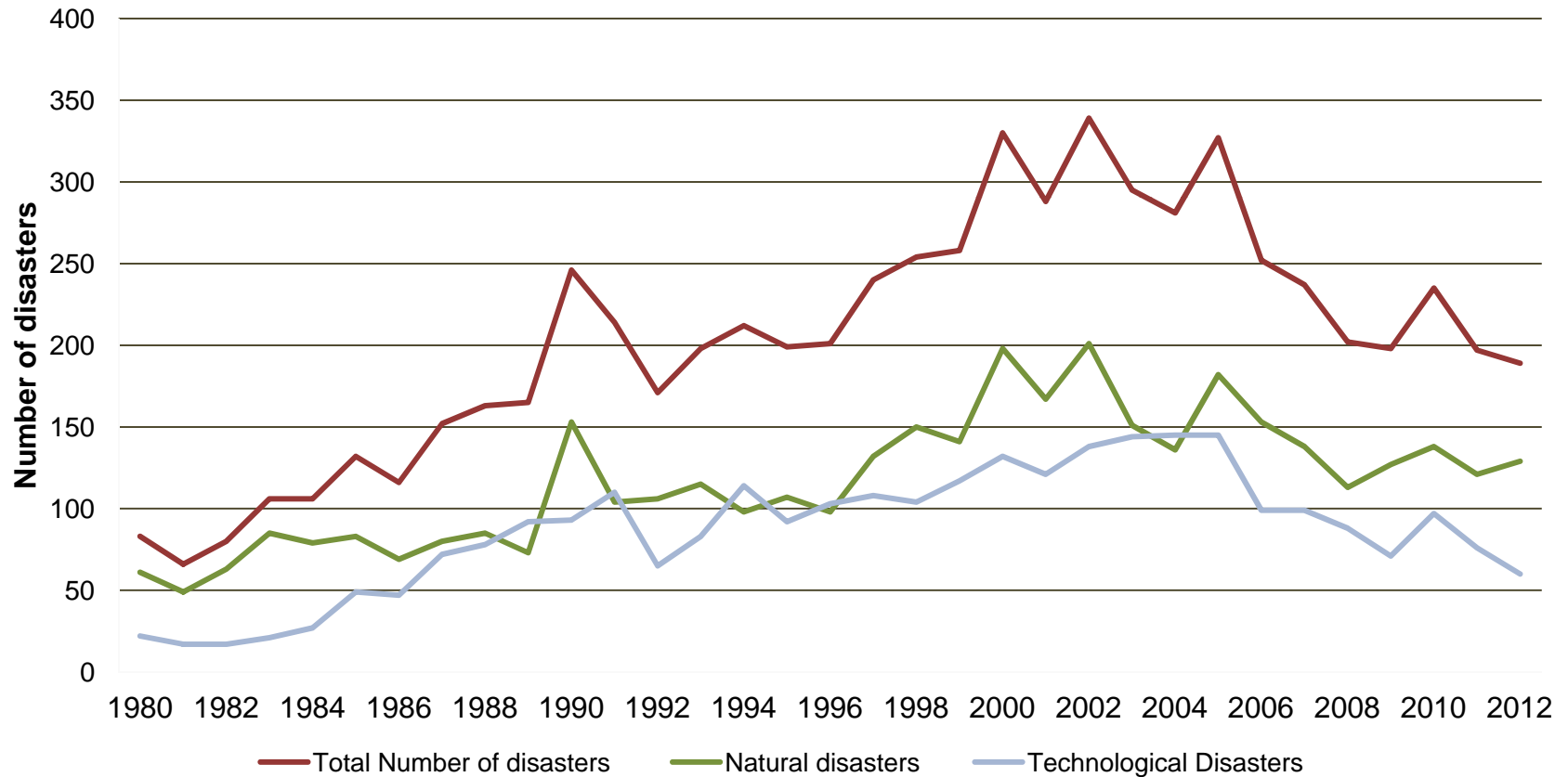
Public Governance and Territorial Development





# Total disasters increased from around 100 per year 1980's to 200-300 annually since 2000

Number of annual disasters in OECD and BRIC countries, 1980-2012

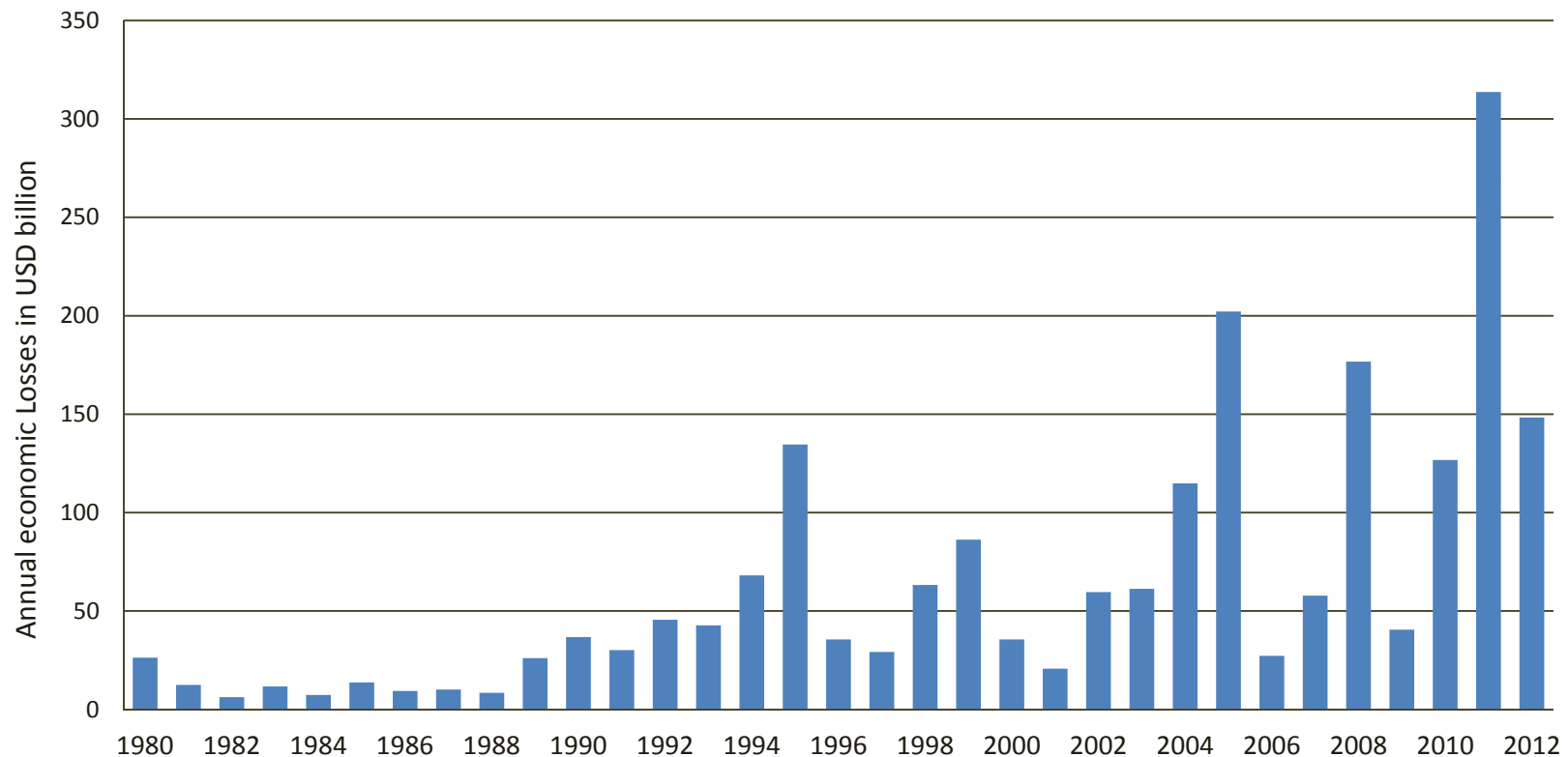


Source: Source: EM-DAT: The OFDA/CRED International Disaster Database, [www.emdat.be](http://www.emdat.be) - Université catholique de Louvain - Brussels - Belgium".



# Major disasters produced significant economic losses

## Economic Losses across OECD and BRIC countries, 1980-2012



Source: Source: EM-DAT: The OFDA/CRED International Disaster Database, [www.emdat.be](http://www.emdat.be) - Université catholique de Louvain - Brussels - Belgium".





## HFA core indicator 4.3

---

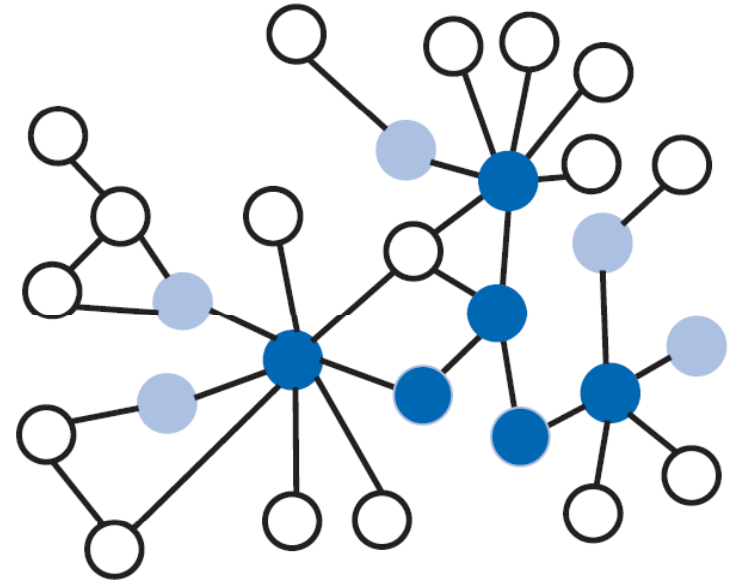
- Are economic and productive sectoral policies and plans implemented to reduce the vulnerability of economic activities?





## DRR: Disasters do not distinguish between public and private sector

- Impacts on well-being, functionality of institutions and businesses.
- Socio-economic context: We live in interconnected societies
- Cascade impacts due to interruption of critical infrastructure





## Business continuity examples: case of the United Kingdom

---

- Is a Business continuity plan required by statute?
  - No, only 5% of SMEs in the UK have one.
- Do companies agree to help each other during an emergency?
  - Yes, government model MOU
- Does government provide guidance?
  - Yes, Provides advice to business associations and published Business Continuity for Dummies.





## Business continuity examples: case of Finland

---

- Vulnerability is not exposure to major hazards, it is disruption of supply chains.
  - Highly dependent on international suppliers for energy, and on sea transport for goods.
- Established NESAs to maintain continuity of critical services.
  - Maintains reserve stockpiles in food, energy, antibiotics, transportation equipment, storage
- NESAs conduct annual evaluations of company performance





## The case of a flood of the Seine: major stakes located inside the flood plain

---

- 463 km<sup>2</sup> of land, 830 000 inhabitants
- 55 700 companies (85% are SMEs)
- 620 000 jobs: damaged buildings, lost inventory and reduced productivity





## Major stakes in flood plains (cont.)

---

- **Public institutions:**
  - 295 schools
  - 79 hospitals
  - 11 637 electricity distribution posts
  - 140 km and 41 subway stations
  - 3 train stations
  - 85 bridges
  - 5 toll roads and numerous freeways
- **Historical monuments and cultural artifacts:**
  - shores of the Seine are classified as Patrimoine Mondial de l'UNESCO
  - thousands of historical buildings and art galleries.





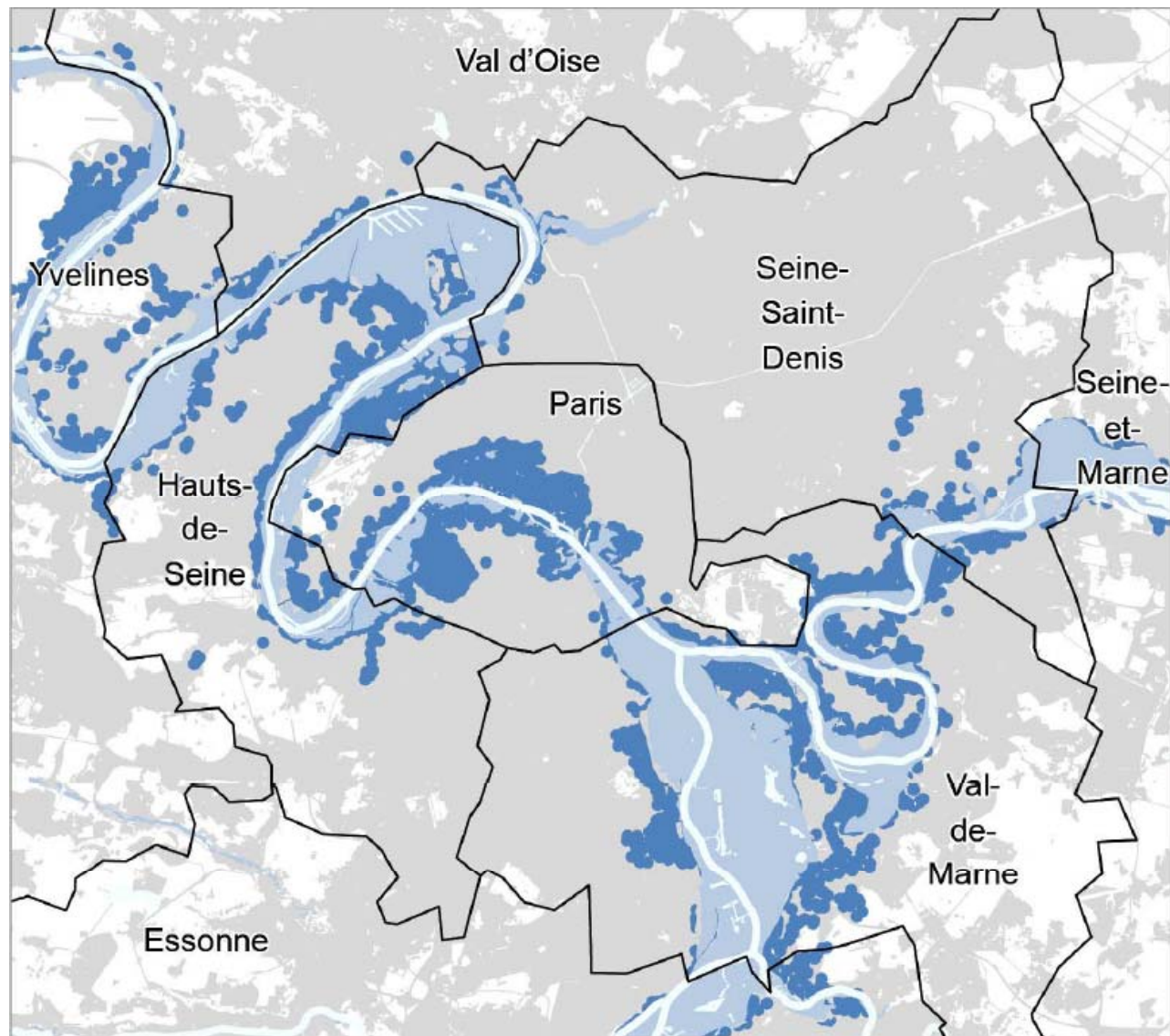
## 3 flood scenarios

### Prise en compte des effets de seuils autour de la crue historique de 1910

| CARACTERISTIQUES   | SCENARIO 1             | SCENARIO 2         | SCENARIO 3            |
|--|------------------------|--------------------|-----------------------|
| Débit ( / crue 1910)   | 80 %                   | 100 %              | 115 %                 |
| Hauteur d'eau (Austerlitz)                                     | 7.32 m (crue de 1924)  | 8.12 m             | 8.62 m (crue de 1910) |
| Durée  | 1 semaine              | 2 semaines         | 1 mois                |
| Population affectée  | 100 000                | 600 000            | 1 000 000             |
| Impact sur les réseaux critiques (transport, électricité, eau) | Perturbation partielle | Large perturbation | Perturbation globale  |
| Perturbation des activités socio - économiques                 | 2 semaines             | 1-2 mois           | 2-5 mois              |

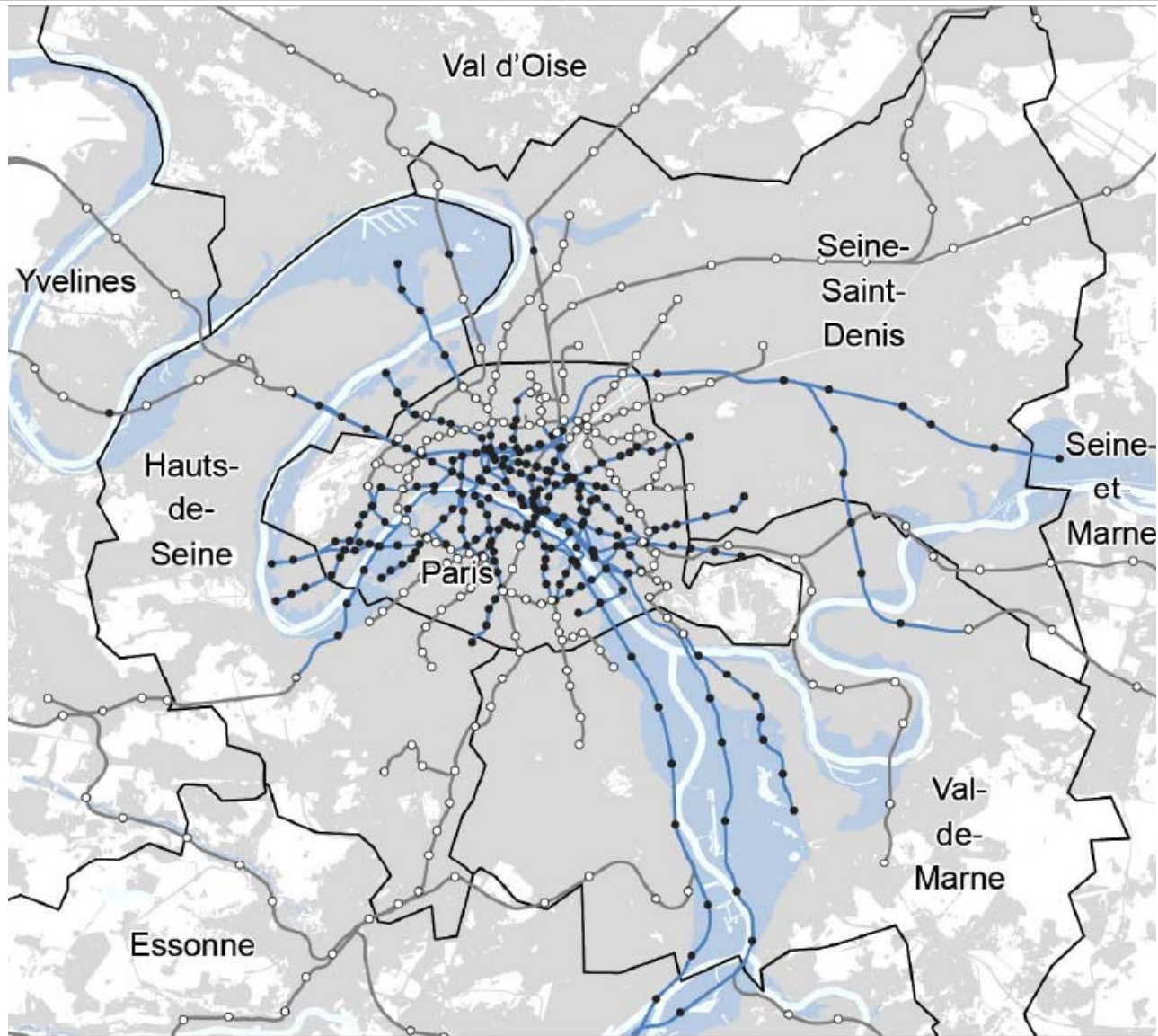


# Impacts on the electricity network



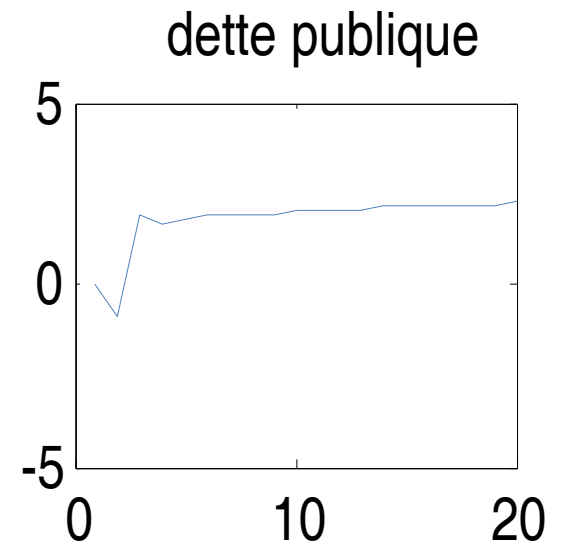
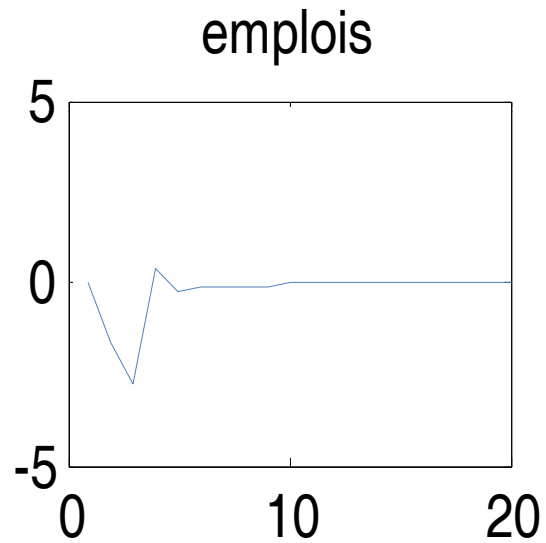
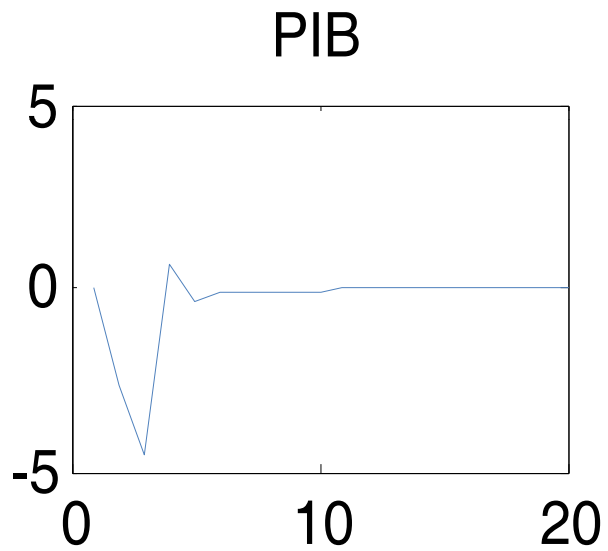


# Impacts sur les réseaux: transport





# Micro / macro economic impacts





## Stakes of a major flood of the Seine

---

### **A major event has numerous and long lasting impacts**

- ✓ **Affects nearly 5 millions citizens, entreprises**
- ✓ **Interrupts core functions of the State**
- ✓ **Longue période qui pourrait dépasser un trimestre**

### **Significant macro-economic impacts**

- ✓ **3-30 Mds € of direct damages**
- ✓ **1-60 Mds € of cumulative GDP loss over 5 ans**
- ✓ **10 000 - 400 000 job losses**



# OECD Recommendation on the Governance of Critical Risks

---

1. Establish a comprehensive, all-hazard and trans-boundary approach to risk governance at the national level
2. Anticipate and build preparedness through foresight capacities and financing frameworks
3. Raise awareness to foster whole-of-society investments in prevention
4. Develop adaptive and inter-agency crisis management capacities
5. Include principles of good governance in risk management decision-making including transparency, accountability and continuous improvement





SEE YOU IN SENDAI!

CONTACT:  
[JACK.RADISCH@OECD.ORG](mailto:JACK.RADISCH@OECD.ORG)