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Strengthening Public-Private Partnership for Disaster Risk Management and community resilience

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COST OF **NATURAL DISASTERS**

ECONOMIC LOSS IN ASIA DUE TO NATURAL DISASTERS FROM 1900 TO 2013



359 Billion
FLOODS



314 Billion
EARTHQUAKE



223 Billion
TSUNAMI



167 Billion
CYCLONE



34 Billion
DROUGHT

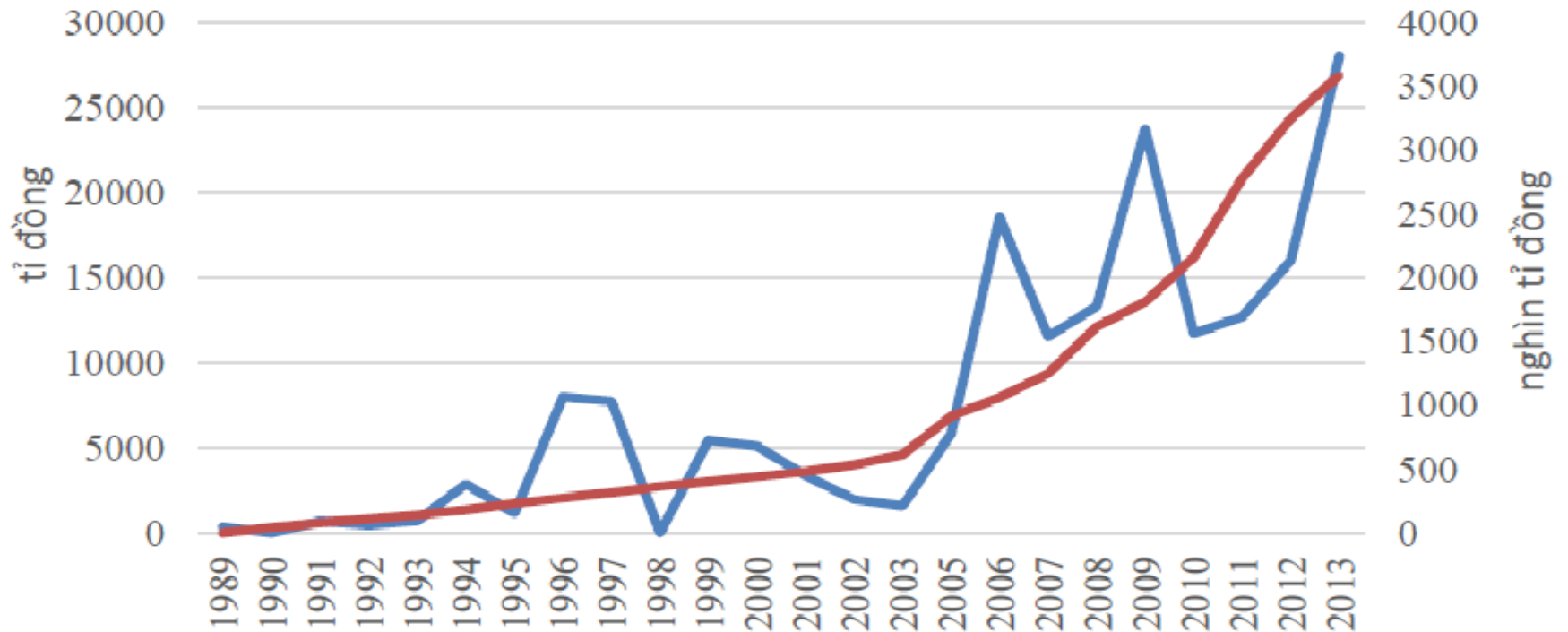
(FIGURES ARE IN US DOLLARS)

(SOURCE: CENTRE FOR RESEARCH ON THE EPIDEMIOLOGY OF DISASTERS)



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Economic losses versus GDP growth in Vietnam



Source: Mai Trong Nhuan et al.



2011 Flood - Thailand



- Economic loss: 45.7 bn USD of which 32 bn USD incurred by manufacturing businesses and 90% are private firms
- Regional and global supply chain disruption



Recent extreme rainfall and flood in Quang Ninh province- Vietnam

- VND 2,7 trillion loss (>US\$ 123 million)
- Supply chain disruption: Coal Shortage for thermal power plants in other province – energy security
- 30,000 employees temporarily stopped working for almost a month
- Tourist sector: Halong Bay
- Business continuity
- Recovery: In-direct cost



WHY BUSINESS?

- > 400,000 enterprises
- 80% SMEs ---40% GDP with 9.5 ml. employees
- Provide jobs, income, and services important for the development of vibrant communities.
- Their ability to bounce back, re-establish production is a critical determinant of both local community and the country's resilience to climate change.

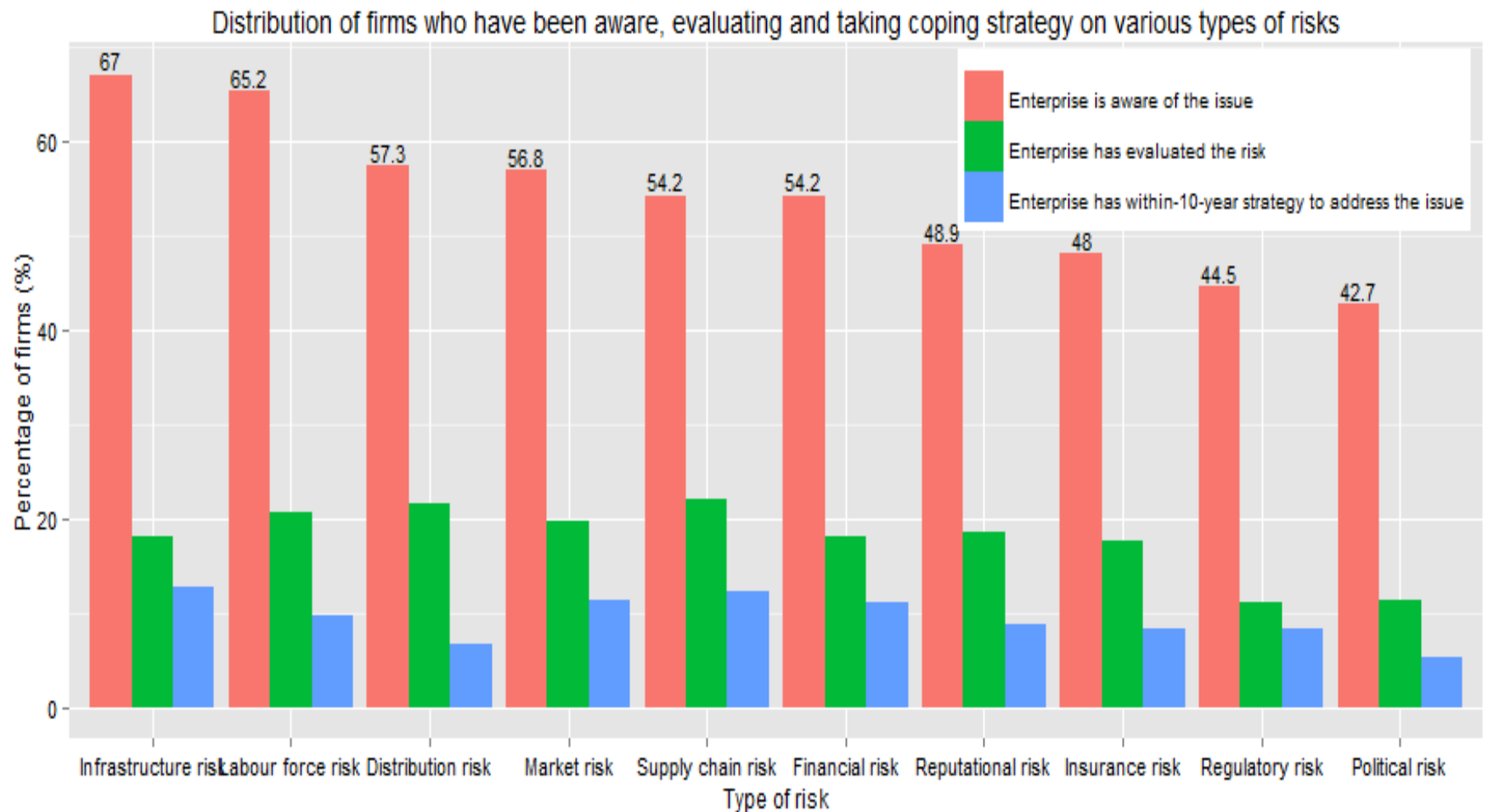


How they are ready to cope with flood/storm ?

- Over 80% of businesses said they had no disaster planning, or plans only existed on paper
- Over 60% had no disaster risk insurance



A significant gap exists between awareness and action undertaken



...and what did they get ?



- 60% had incurred losses: 5% experienced significant damage and 30% indicated heavy loss
- Important asset loss: 52% losses of physical structures; 47% losses of products; and 41% losses of equipment



...what do they think of ?

- Most of them rely on the supports from the Government
- Insurance is not an important factor
- They thought the Government still keep key role in DRM in Vietnam
- They claim Government on not adequately implementing its policies to support business to recover aftermath
- They want to know more on DRM policy and more training on DRM

SO...

- SMEs are vulnerable
- They are generally poorly prepared
- These factors potentially undermine the ability of communities to bounce back quickly from disaster
- However, conditions vary across the country and engaging with these issues must take into account the character of local disaster risks and business culture



TAF's Public-Private Partnership (PPP) initiative (2011-2014)

Objective: To build effective and sustainable disaster response in Vietnam through:

- Strengthening of public-private partnerships for disaster risk management;
- Capacity building of small and medium enterprises to prepare for and respond to disasters;
- And promotion of disaster-related corporate social responsibility initiatives



Approach

- **Building institutional linkages between government, business and community:** TAF works with the Vietnam Chamber of Commerce and Industry (VCCI), professional business associations, SMEs, NGOs, Disaster Management Center, and local governments;
- **Building capacity for businesses to analyze disaster risk and implement disaster planning** 20 provinces
- **Promoting Private Sector Engagement in CSR** targeting DRM activities



Lessons from implementation

- SMEs often have:
 - Short time horizons
 - Low management capacity
 - Have adapted to disaster risks without formal planning
- Identification of disaster risk is not sufficient to ensure interest in disaster risk planning
 - For areas that experience regular, predictable flooding adaptation may be built in to business operations
 - Areas that are experiencing a change such as a larger number or more intense storms may be more likely to lead to interest



Thank you!



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