

Remarks  
by  
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Ambassador and Permanent Representative of Thailand  
to the United Nations, Geneva  
at the 22<sup>nd</sup> OSCE Economic and Environmental Forum  
*Session V – Facilitating disaster preparedness and response through  
innovation, technology and information, and Public-Private Partnerships  
in Disaster Risk Reduction*  
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Madam Chair,

- Permit me first of all to say how much I appreciate this opportunity to participate in this Concluding Meeting of the 22<sup>nd</sup> OSCE Economic and Environmental Forum. I also wish to thank the host and organizers for the excellent preparations made for this meeting.
- As a Partner for Co-operation, Thailand is always pleased to engage with the OSCE, particularly on this very important topic of disaster preparedness and response.

### **Introduction**

- According to the United Nations, over the past 20 years disasters due to natural hazards have affected 4.4 billion people, claimed 1.3 million lives and caused \$2 trillion in economic losses.
- For the first time, disaster losses globally have topped \$100 billion for three consecutive years (2010-2012).
- By 2030, economic losses are expected to exceed \$200 billion per year; over 300 million poor people will be exposed to hazards.
- Faced with an increasing number of natural disasters, disaster risk reduction and preventive measures, preparedness, as well as effective response plans are essential to minimize impact and losses, both in terms of lives, as well as economic and social losses.

## **Importance of DRR**

- To be most effective and inclusive, disaster risk management should be based on a risk-informed culture, which requires freely available, publicly accessible, science-based and easy-to-understand information.
- Both innovation, technology or scientific researches, on the one hand, and practical, local and traditional knowledge, on the other hand, should be taken into account and go hand-in-hand with a view to reduce mortality, as well as economic and social losses.
- An all-of-society approach where governmental, civil society and private sectors cooperate is required since the impact of disasters affect all sectors of society.

## **Role of the Private Sector**

- In Thailand's case, the private sector in the past has been actively involved in providing humanitarian assistance, particularly as part of corporate social responsibility or CSR.
- A big turning point, however, came in 2011 when we experience a major flood, which led to damages and losses of \$46.5 billion, with losses accounting for 56 per cent of the total. The manufacturing sector alone bore roughly 70 per cent of total damages and losses.
- Rehabilitation and reconstruction amounted to around \$50 billion, 75 per cent of which was borne by the private sector, 80 per cent of that by the manufacturing sector.
- We suffered a reduction of 1.1 per cent in our potential GDP growth for that year.
- It was clear that at that time, the majority of Thai SMEs had little or no information or plans for disaster preparedness. The larger companies were also hard hit with economic damages affecting the international supply chain, especially in the IT and automotive industries.
- It therefore quickly became apparent that the private sector has a crucial role to play in disaster risk reduction or DRR, hence the need for greater public-private partnership in this important area.

- For us, the lessons are clear.
- Public-private partnerships need to be a central part of political messaging.
- Since business infrastructure and personnel are vulnerable to disasters, companies have a vital interest in risk reduction and should recognize that interest. Building resilience will help protect investments.
- Indeed, DRR should be seen as an investment and not as a cost; it is a matter of foresight. Disaster risk reduction should therefore become part of the core financial strategies of business corporations.
- A central argument of course is that it is much less expensive to prevent or prepare for disasters, by a ratio of at least seven to one, than it is to respond to and recover from them. But more than this is that by reducing risks, particularly extensive risk (or regular small potential disasters) a business will be much more competitive in the long run.
- This means that risk reduction should be incorporated into business planning, particularly contingency business plans. There is also a need for businesses to get involved in broader efforts in order to create a more secure environment both for themselves as an enterprise as well as in the communities where they are located.
- Risk-transfer mechanisms such as insurance, has become essential for both the public and private sectors, to reduce economic losses due to disasters. We therefore need to identify ways of strengthening and promoting the adoption and use of tools such as risk transfer and risk insurance.
- In Thailand's case, the 2011 floods impacted the insurance market significantly. The floods rank in the top 10 global insured losses by value with a total insured loss of around USD 15 billion – more than 20 times Thailand's annual property premiums.
- Faced with increasing insurance premiums for private sector -- which represented a particular burden for SMEs -- the Government established National Catastrophe Insurance Fund with the total insured amount of around \$16 billion. This is a two-tier disaster insurance system that is common around the world whereby the

Government takes a higher responsibility in cases of severe disasters.

- We also need to look at ways to strengthen incentives and regulations to facilitate disaster resilient private investment and improved business resilience (e.g. tax incentives, building codes, land use planning), as well as how to more effectively enforce regulations in industrial areas and labour-intensive industries.
- Additionally, there is a strong role for SMEs in promoting disaster risk reduction. Since SMEs tend to operate more locally than multinational corporations, their day-to-day involvement with their communities is closer and their awareness of local issues is accordingly more detailed.
- They also have a strong interest in sustainability because it is not easy for them to pick up and move to another location to avoid disaster losses or to re-build from scratch. SMEs should therefore become champions of disaster risk reduction within their communities and should be key actors in local planning and implementation.
- Community resilience greatly depends on the ability of the private sector to bounce back, re-establish production and provide employment after disasters.
- In our case, to assist SMEs and other business, after the floods, the Government allocated \$12.6 billion for soft loans to help them resume operations as soon as possible. The Board of Investment also provided various incentives for affected industrial estates.
- We need to identify opportunities and barriers for improved collaboration and partnership between public and private sectors (e.g. through CSR and PPPs) and other multi-sector partnerships.
- As States have the primary responsibility to manage disaster risks, governments have to invest on infrastructure, of course in cooperation and partnership with private sector and other stakeholders.
- In Thailand's case, after the floods, a \$11.4 billion project to construct a better water management infrastructure system has been initiated, using a public-private partnership approach.

## **Use of technology and information**

- The use of technology and information is also crucial.
- Again, using the Thai floods as an example, our Geo-Informatics and Space Technology Development Agency (GISTDA) co-operated with partners in Canada, Japan and the United States in using earth observation satellites to help monitor the flooding situation on the ground, as well as air pollution, and make risk-informed decisions on the basis of science-based assessment.
- Equally important is the use of early warning systems and SMS broadcasting.
- As you would recall, the Indian Ocean Earthquake and Tsunami struck the region on 26 December 2004, resulting in 230,000 deaths, up to five million people lost their homes or access to food and water.
- In Thailand, more than 5,000 people were killed and 3,000 disappeared.
- From this painful experience, we created the National Disaster Warning Centre and further develop a real-time tsunami early warning and preparedness system, including through SMS broadcasting, periodic radio updates and real-time tsunami warning icons highlighted on TV programmes during emergencies.

## **Global Partnership and International Co-operation**

- Global partnership and international co-operation also has a key role to play in facilitating disaster preparedness and response, especially through technology transfer, the availability of financial resources, the exchange of information, as well as technical cooperation and capacity building to assist developing countries whom remain the most vulnerable to disasters and need support if they are to address the development gap.
- Given its importance, this is one of the key issues now being discussed as we draft the Post-2015 Framework for Disaster Risk Reduction, which will be adopted at the Third World Conference on Disaster Risk Reduction, to be held in Sendai, Japan next March.

## Key Messages

- In closing, I just wish to stress a few key messages.
- One, if development is to be sustainable, it has to be risk-informed. Only thus, will we be able to reduce underlying risks and prevent the creation of new risks, and thus better enable our countries and peoples to absorb loss, minimize impact and recover from natural disasters.
- Two, disaster risk reduction is an investment, not a cost. This is why the private sector has a crucial role to play, particularly through public-private partnerships.
- Three, the importance of science and technology cannot be over emphasized. There is a continuing need to assess the impact of geological, weather, water and climate-related hazards, as well as to strengthen regional monitoring capacities and assessments. We also need to improve the interface between policy and science for more effective decision making.
- And four, global partnership and international co-operation is crucial if we are to strengthen the capacity of all countries in their DRR efforts.

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