

## A Network view: the contribution of businesses to disaster resilience

Interviewer: Gareth Byatt – Principal Consultant, Risk Insight Consulting
Interviewee: Terry Kinyua – Country Manager (Kenya) at Invest in Africa and

Global Board Member of ARISE

## November 2024



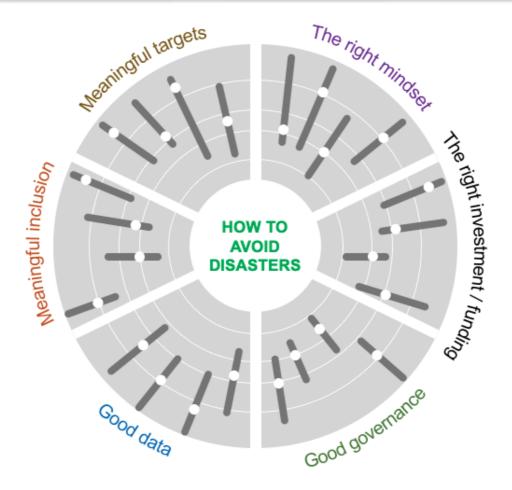
Source: ARISE website

## Terry,

Thank you for making the time to talk with me about (1) the activities of <a href="the-ARISE network">the ARISE network</a>, which is UNDRR's international business network, (2) the work of <a href="Invest in Africa">Invest in Africa</a>, and (3) to discuss the benefits to businesses of linking their specific business resilience efforts to broader societal disaster resilience (no business is an island).

During our conversation I will refer to the <u>Disasters Avoided initiative</u> that Ilan Kelman, Ana Prados and I work on. This initiative focuses on *how we can prevent disasters from happening*. We have developed a <u>six-point model</u> to support the work we are doing in this field, which was used in the UNDRR Global Assessment Report (<u>GAR</u>) <u>Special Report 2024</u>. I may also refer to my associated activities towards urban resilience, and how businesses of all types can support urban societies to be resilient.





The Disasters Avoided model: G Byatt, I Kelman & A Prados

Could we start with some general context about yourself, Invest in Africa and the global ARISE network? I know the UNDRR ARISE Mission Statement is: "To create risk-resilient societies by energizing the private sector in collaboration with the public sector and other stakeholders to achieve the outcome and goal of the Sendai Framework in a transparent and inclusive way that delivers local and measurable impact." <sup>1</sup> (UNDRR ARISE is separate to the ARISE Hub, I want to mention)

**Terry:** Thank you for this opportunity to discuss ARISE and Invest in Africa. It is great to discuss the linkages of these organisations with the Disasters Avoided initiative. Invest in Africa is a not-for-profit organisation with a mission of empowering Micro, Small & Medium Sized Enterprises (MSMEs) in Africa to create sustainable jobs. I am the Country Manager for Invest in Africa Kenya, and I am part of a team of other Country Managers leading operations in various countries in Africa.

An important reference point concerning the criticality of resilience for MSMEs in the Africa region was the impact of the COVID-19 pandemic. While the pandemic impacted all types of organizations globally, MSMEs in Africa were disproportionately impacted. A study of this impact found that almost half of MSMEs in Kenya (46%) closed their doors for one year or more. Majority of these MSMEs are or were informal (I say "were" as well as "are" because many went out of business), and these MSMEs tend to have very limited resources.

<sup>&</sup>lt;sup>1</sup> ARISE annual report 2023



Many did not recover from the impact of the pandemic, yet they are critical to job creation and employment and the overall socio-economics of the nation and the resilience of the country's overall economy.

In response to this impact of COVID-19 pandemic on MSMEs, Invest In Africa Kenya launched a three-phased MSME Resilience Initiative and adopted <a href="the Sendai">the Sendai</a>
Framework for Disaster Risk Reduction 2015-2030 as the guiding instrument. Phase 1 is comprised of Dialogue series, phase 2 focuses on planning and implementing recommendations, and phase 3 entails the development of an MSME Resilience Framework. To support and strengthen our activities at Invest in Africa, we joined the UNDRR ARISE network, to collaborate with like-minded organizations in championing disaster risk reduction.

ARISE is a network of private-sector entities championing disaster risk reduction and promoting resilient communities and economies. The network currently has about 580 members and over 30 networks around globally. Our 4 focus areas are: (1) SMEs, (2) Risk-informed investments, (3) Resilient infrastructure and (4) Insurance.

Soon after Invest in Africa Kenya joined the ARISE Network, I expressed my interest in serving on the Global Board and I was honoured to be elected as the Board Co-Chair in December 2023 for a term of 3 years. Whilst ARISE is a network of private sector entities, we embrace the Sendai Framework's all-of-society approach and work in collaboration with all key stakeholders including public sector, academia, and non-governmental organizations among others.

With regard to my home region of Africa, we have this year launched 3 networks: the <u>ARISE Africa Network</u>, <u>West Africa Regional Network</u> and the Kenya National Network. We have aspirations to launch additional networks across Africa and I hope to demonstrate some examples of what we are doing in Africa as we go through this interview.

**Gareth:** Thanks for this overview, Terry. It's good to see the interlinkages between Invest in Africa and ARISE. Interlinkages and the advantages of interrelationships and networks is probably going to be a theme of this interview.

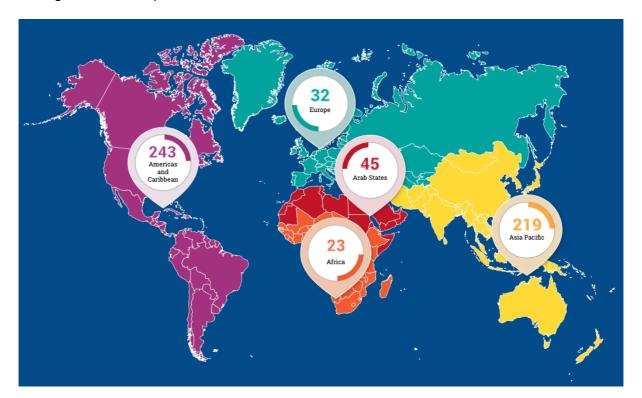
You mentioned the impact of COVID-19 on micro and small businesses. During the pandemic I held discussions with several MSMEs in my local area, and elsewhere (remotely) about the challenges they faced to keep going.

I'm keen to understand the type of work that Invest in Africa and ARISE undertake. The ARISE annual report 2023 was published in October 2024 and highlights key events, news and achievements that the ARISE Networks achieve during 2023-2024, particularly for SMEs, insurance, investment and investors and infrastructure.

Could we start with an overview of some recent and current initiatives that ARISE is undertaking, and supporting businesses with? Moving forward, are there certain targets that ARISE is working towards for 2025 and beyond, perhaps geographies and / or sectors you are wanting to support?



If I understand correctly, there is an appetite to grow the network and to support change in how the private sector invests in a risk-informed sustainable future.



Source: ARISE annual report 2023

**Terry:** ARISE works as a multi-layered network in which we look to provide value through regional and cross-regional collaborations. Our 30+ networks around the globe span across national, regional and sub-regional geographies as well as the overall global context. This allows us to both localise and tailor initiatives for greater relevance and impact, as well as embrace cross-regional learning and sharing for greater scale and collective traction. The feeling we want to provide for ARISE members is that they are a critical part of a greater whole that can support their specific local needs whilst giving them a regional and global platform for collaboration and enhancing their efforts.

Some examples of this collaboration include the following:

- Regional Platforms: An example is the <u>ninth Africa Regional Platform in Namibia</u> <u>in October 2024</u>, where amongst other discussions and showcasing of initiatives, we launched the three ARISE networks in Africa that I mentioned earlier: the ARISE Africa Network, the ARISE West-Africa Network and the ARISE Kenya Network.
- 2. Global Events: The ARISE Symposium on Climate and Disaster Resilient
  Infrastructure will take place on November 25, 2024 in Dubai, in partnership with
  ARISE United Arab Emirates (UAE) Network, as a hybrid event (in-person and
  virtual participation) to attract members from all corners of the globe.
  As I earlier mentioned, one of ARISE's focus areas is Resilient Infrastructure, and
  this Symposium is aimed at sharing state-of-the-art evidence, trends, tools,
  lessons learned and approaches from the Real Estate industry in Dubai.
  Members will benefit from a showcase of a Real Estate Resilience Tool that is



- currently being used in Dubai with significant impact. In addition, we will be holding a fireside chat session during the Symposium, on Extreme Heat and technologies that are being adopted to mitigate related disasters.
- 3. Global Platforms: We are involved in the planning of the eighth session of the Global Platform for Disaster Risk Reduction (GP2025) which will be held in June 2025 in Geneva. Our participation involves engagement in planning committees that shape the sessions, proposed Speakers, and an ARISE-specific session for discussion around critical themes.

We are conscious that some of our members may not fully be in a position to leverage everything that ARISE offers hence we're intentional about raising awareness both to current and potential members. We also seek to grow the network because we believe that it takes every one of us – meaningful inclusion, to use one of the factors in the Disasters Avoided model – to build resilience. Our goal is to have a vibrant ARISE network that (1) empowers and equips existing members to support DRR in their areas of expertise and their regions, and (2) to target and recruit new members into the network who can play a crucial part in advancing the ARISE mission. Whilst we want to see our network continue to grow in numbers, we also want to see that members are engaged, enthusiastic and committed to making a difference, and that existing members can help to gain traction and move the needle in supporting good DRR.

**Gareth:** Thanks for this context, Terry. I appreciated the point you made about meaningful inclusion of your ARISE members to participate in good DRR.

I appreciate the examples of ARISE activities. I take on board the point you have stressed a few times about the importance of localising solutions and actions. Localisation of how the built environment and infrastructure takes place is key, for example.

**Terry:** Localisation is definitely key. For example, we have repeatedly seen disasters of collapsing buildings in Kenya hence our initiatives must confront the risks, vulnerabilities and exposures in infrastructure and the built environment. This may be a very unique challenge in comparison to the risks in infrastructure and the built environments of other geographies.

**Gareth:** Part of my work with businesses as an independent consultant is to support them to identify and implement resilience measures for their operations, which includes incident and crisis management and business continuity. In my work I am always interested to discuss with businesses if and how the resilience actions they carry out to support their business can also support disaster resilience for the communities where they and their eco-system (including their supply chain partners) operate.

Are there common aspects you see with businesses in all sectors and geographies that can genuinely and tangibly support disaster resilience? Do any of these aspects resonate with the six factors of the Disasters Avoided model?



**Terry:** Firstly, let's consider the disaster management cycle, which is common across geographies. There should be effective mitigation and preparedness to make us resilient to events that can occur from hazards, and when an event does occur, we need to promptly and effectively shift gears towards response and then recovery.

As part of this cycle, there are underlying factors that businesses of any size and sector should consider so that they can take action related to each phase of the cycle. These factors can be influenced by the specific sectors and / or geographies where they operate. Sometimes it can be related to resources that are available to them, including experts in certain fields (water experts such as hydrologists, for example). On top of this, we want to tap into appropriate global expertise when we can (in line with the ARISE mission), whilst ensuring that such expertise can be used locally by businesses of all sizes.

So, it is key that businesses know the context of their sector(s) and geography(ies) to see how business resilience actions can be aligned to the DRR needs of local communities, to realise maximum impact. One size does not fit all in DRR: an initiative can be successful in one sector or region because it aligns with the needs and structure of the community, but in another area the context may be very different and render the initiative less effective or irrelevant.

I see a strong resonance with areas highlighted in our ARISE conversations, including at the recent Africa Regional Platform, and the Disasters Avoided model. Here are a few immediate examples of the linkages I see with the model:

- 1. Viewing DRR as developmental rather than humanitarian and ensuring the right mindset shift from a purely response perspective to embracing mitigation and prevention before the event. This is a critical factor. For example, Invest in Africa (which as I explained earlier is a member of the ARISE Network) is championing Disaster Management policies that focus enough on upfront mitigation and prevention. Through driving efforts of public participation in the draft National Disaster Management policy, we are seeking a comprehensive/holistic view of disasters and a shift toward mitigation and preparation before response and recovery.
  - Consider the need to tackle drought as an example. Rather than solely focus on relief efforts when drought occurs, how can MSMEs and other businesses be supported with upfront action to help them mitigate drought? This point relates to how and where, and when money and other resources are allocated and spent (for awareness, education, resources and tools).
- 2. Changing how money is spent means making the right risk-informed investments, which directly relates to my point above and the other factors in the model.
- 3. We need to incorporate appropriate DRR thinking into business models so that **good governance** and oversight of businesses is risk-inclusive and linked to the context of what businesses do and where they operate, with good governance at all times.
- 4. Prioritising **good data** to understand patterns and trends, and to report to relevant stakeholders to inform their decisions, track progress over time is important, whilst considering all stakeholders. An example can be that some communities and religions may see disaster events as Acts of God that cannot be avoided, in



- which case good DRR data may help to create awareness and empower these communities to shift their perspectives and views more toward human action toward avoiding disasters.
- 5. Mainstreaming inclusion means viewing inclusion in its sub-segments to ensure DRR initiatives are truly effective. Sub-segments are about breaking it down across geography, gender, demographics etc and ensuring DRR initiatives are effective at a local level, linked to the right investment, to ensure everyone is being supported. I like the model description of **meaningful inclusion** which covers the essence of intentionality and authentic, genuine effort to include all.
- 6. Being aligned on what success looks like by using meaningful targets including good KPIs, and monitoring and reporting on them to ensure we see the impact of our work and keep refining our efforts towards an agreed vision of success. The vision of success is of course not just taking photos and quotes and sharing them. While this is important, it should also be about how we share and use lessons learned, practices and techniques etc.

In all of this, we see the support of businesses towards disaster resilience as being a lot more than "CSR" (Corporate Social Responsibility). It's about ensuring meaningful inclusion of empowering everyone to contribute towards making a difference.

**Gareth:** It's great to see that <u>our Disasters Avoided model</u> resonates with you, Terry. I appreciate the specific examples for each factor. We researched many examples and cases before we decided on the six factors we use, and we keep testing them to see if they may warrant an update.

You have mentioned the importance of sector and geography as part of the context of a business. I am wondering if there might be some business sizes / sectors / geographies where it may be harder for people who own or work in them to define a clear link between their business resilience needs and support that they can provide for disaster resilience. In any size of business, people need to be on board, and budgets and resources need to be assigned for action to happen.

For some context to this point, one of the findings of the UNDRR Midterm Review of the Sendai Framework for Disaster Risk Reduction 2015-2030 which I discussed with the former Head of UNDRR, Ms Mami Mizutori, in November 2023 is that the private sector still largely sees the Framework's resilience building as being the public sector's agenda. <sup>2</sup> The need for the public and private sectors to work together is also raised in the UNDRR's Global Assessment Report (GAR) Special Report 2024 <sup>3</sup> which myself, Ilan and Ana were pleased to contribute towards.

**Terry:** I would say that disaster resilience and DRR are inherently linked to business resilience. When disasters occur, they affect businesses in the impacted location(s) to different degrees. In some cases, the impact can be unrecoverable losses for businesses, communities and economies. Business resilience should include DRR being embedded in business models as part of a business core structure. Strengthening its core goes hand-in-hand with strengthening its resilience.

<sup>&</sup>lt;sup>2</sup> Disasters Avoided interview with ex-UNDRR Head, Ms Mizutori

<sup>&</sup>lt;sup>3</sup> Global Assessment Report (GAR) Special Report 2024



Nonetheless, this concept is sometimes lost to businesses, particularly MSMEs and marginalised communities who view disaster resilience and DRR as not being an integral part of what they do but rather as a nice-to-have that is within the reach of only large corporates and more affluent communities. I do empathise with their perspective because MSMEs and marginalised communities largely have very limited resources and expertise, but I hope that with greater DRR awareness and education we can shift this mindset and demonstrate that good business resilience for any and every business is good business (to borrow your phrase).

ARISE prioritizes ongoing disaster resilience and DRR awareness and education among its members and also in the communities we operate in – making resources, tools and techniques available to help this mindset. If people think "I will do it when I can afford it" then it remains low in the 'To Do List' and it won't happen until it is too late. If on-the-other-hand people think "I will do it so that I can afford to do other important things" then it is promptly actioned and businesses, communities and economies become more risk resilient.

**Gareth:** I see what you mean, that if businesspeople cannot see the alignment of what they need for business resilience and how it can support disaster resilience, they will not do it. I wonder in your view if there are certain countries / geographies that are "further ahead" with integrating the work of businesses (of all sizes, noting that we have talked a lot about MSMEs so far) into disaster resilience than others? For example, the way things work between the private sector and municipal authorities in Japan seems to hold lessons for others.

**Terry:** It is true that, for a variety of reasons, some countries / geographies are further ahead than others in integrating the work of businesses with disaster resilience and DRR and other aspects of societal needs and sustainable development.

ARISE supports cross-regional learning through knowledge sharing, dialogue platforms, and leveraging communication channels to share resources, tools, evidence, trends and lessons. This effort is about inspiring and empowering people to take action.

If you consider the brewing of disasters, there is an element of hazard, exposure and vulnerability. If we consider systems thinking, we contemplate how what we do is connected to the activities of others. A micro business that locates itself next to or in a flood-prone area increases its exposure to a flooding hazard. Similarly, a micro business that produces food that relies on water availability may increase its exposure by depending purely on rain-fed operations in a drought-prone area. Some geographies and businesses have built awareness, resources and tools that help such businesses to understand their local hydrology and how to be resilient with their water resources. Knowledge sharing comes in handy in such a situation. There is something to learn from everyone, and the importance of sharing data and examples from regions that are moving further ahead as well as from those that are moving slower is key for identifying trends and inspiring ideas, innovation and collaboration.



This supports our 'All-of-society approach' which I mentioned earlier, where true resilience is inclusive of all stakeholders, all communities and all geographies. This is so important – continued focus on awareness, education, collective action and inspiration must continue.

Afterall, there are certain disasters that cut across the globe and impact us all without discrimination or favour, such as the global disaster a few years ago in the shape of the COVID-19 pandemic. The role of businesses of all sizes and types to support disaster resilience and recovery was very critical for all communities and economies during that time. We also know that climate-related matters and the impact of human activity is influencing the disaster hazards that exist around the world, and again businesses in all sectors and geographies can play a part in driving a reduction in our vulnerabilities and address the hazards we see. This is our shared reality as a global community!

**Gareth:** Thanks for these examples, Terry. I appreciate the continued emphasis you place on the importance of localisation for communication and practices. As you mentioned earlier, the use of good data can show us what is working, and where. If we don't measure what we are doing, we don't know how we are doing.

Returning to a point I made earlier, I get to see examples of businesses that undertake work in various ways to support disaster resilience, that are not (currently at least) members of the ARISE network. What would you say to convince businesses that are active with supporting disaster resilience to join ARISE?

**Terry:** I think it comes down to awareness and consistency, and people will continue to understand and appreciate how supporting resilience in a broad network can be worthwhile to them. As with all networks, balancing tensions between self-interest vs. shared interest, and planning vs. emergence among other tensions is key to promoting ownership and engagement of members. We do appreciate that many businesses are already part of other forums, and we continue to seek ways to collaborate with other key networks. Whether part of a network or not, we have many times encountered businesses that are already doing good work to support disaster resilience and are not part of the ARISE Network. In this case, we have readily embraced opportunities to collaborate as we're pushing towards the same goal.

Why should you be involved as the private sector? The Sendai Framework encourages action from the private sector as we discussed earlier (including corporations, financial regulators, accounting bodies and SMEs) to integrate disaster risk reduction into business models and practices. In joining the ARISE Network, you can join other private sector companies of all sizes for enhanced synergy and pull efforts towards a common goal – the objectives of the Sendai Framework! There is wisdom in the saying that "When you want to go fast you may need to go alone, but if you really want to go far you should walk with others."



**Gareth:** I appreciate this view of the value of working together, Terry. With regard to broader sustainability agendas and targets, I use the SDGs in much of my work. Is there value for businesses to think about (perhaps with the use of systems thinking) how they can support disaster resilience by using the 17 Sustainable Development Goals (the SDGs)? From the first one onwards, SDG 1 – No Poverty, then SDG 2 – Zero Hunger, and all others, I see them as goals that all businesses can relate to and support in different ways, in their specific context.

**Terry:** I am a trainer in Environment, Social and Governance (ESG), so I am happy to consider this question. There is a reason why we have SDG 17 – partnerships. We need to cooperate with others to achieve good long-lasting development outcomes.

ARISE members contribute significantly to global aspirations of the 17 Social Development Goals, regional aspirations such as the African Union AU2063 regional agenda and national aspirations such as the Kenya Vision 2030. These integrated goals speak to sustainability, which is a product of resilience. So indeed, by starting to identify how the business is already contributing to (or can contribute to) the SDGs can begin the journey of risk mapping and action planning. This therefore speaks to the heart of our work.

As an example of the inspiration and value that people place in shared aspirations, I recall a brilliant campaign at my previous workplace - called <u>Thank A Farmer</u>, which was aimed at creating awareness about the critical role that farmers play in our society in ensuring food security. The larger organizational community was drawn into vibrant participation in a social media campaign and sharing of crop photos, ignited by the determination to win a goat during the festive season, creating awareness and inspiring collective action toward our shared global aspiration of <u>SDG2 of Zero Hunger</u>.

**Gareth:** Thanks for this local example of thinking about the SDGs.

I appreciate that it may require time for businesspeople to see how different levels of commitments and agendas may link to what they do, but I hope that they can find value from doing so. It's interesting that the Kenya Vision 2030 aims to transform Kenya into a newly industrialising, middle-income country providing a high quality of life to all its citizens by 2030. I imagine that the country's resilience to disaster hazards is key to enabling this vision to be achieved, and that businesses are an important part of this – as they are in other countries around the world to support similar visions and development plans. Indeed, in the area where I live in the UK, I know that direct linkages exist between micro business small coffee shops and micro businesses that are coffee bean farmers in Kenya, other parts of Africa, and other regions including Asia.

Let's focus on one particular business sector for a moment – <u>the insurance sector is</u> <u>one of the sectors that ARISE supports</u>. It is an important sector for disaster resilience – for proactive action as well as support after an event.



Are there activities ongoing between ARISE and the insurance sector at the moment, such as liaison with Insurance associations and / or looking at new forms of insurance such as new parametric options (which I have discussed with some insurers)?

**Terry:** As you rightly say, ARISE efforts include insurance as one of our four main priority areas, and engagements and initiatives are ongoing. It is an important part of disaster resilience and DRR globally. Two main areas that are important to the private sector in considering insurance are:

- 1. First, the insurance products must <u>align</u> to the <u>identified</u> needs of the businesses. Many of the traditional insurance products may not pass this test especially if they are not tailored to the profile of different businesses (including sectors and geographies).
- 2. Second, insurance is an important source of innovation. For example, in Kenya we can almost put "a clock" on certain meteorological events being likely to happen, so how can insurance help businesses upfront with proactive action?

Businesses are of course driven to make an appropriate financial return, and insurance is about protecting them and indemnifying them when they are faced with disasters, and this needs to be seen as an investment. ARISE is engaging with the insurance sector to contribute towards greater understanding of businesses and their needs as far as insurance is concerned. We also look to them to innovate effectively in this space to ensure that businesses gain access to the most effective insurance products that are both preventive and can effectively indemnify them in case of disaster-related losses while being viewed as contributing for the 'bottom line' (profits) of the businesses.

**Gareth:** It's crucial to be proactive and preventative with insurance to support upfront work to avoid disasters rather than focus too much on payouts after the event. We want to minimise premiums for businesses of course, and prevention must be the mindset to have, whether it is for the cost of insuring their buildings or the products and produce they create and grow. Perhaps it can link also to the suppliers that businesses use, and their track record of providing resilient solutions, such as construction services that are being provided.

I'd like to ask a question about urban resilience, which links to disaster resilience and business resilience. <u>Back in September 2023</u>, I interviewed Peter Williams, Chair of <u>ARISE-US</u>, and Ben Ryan about <u>the UNDRR cities disaster scorecard action guide</u>.. Does the ARISE network offer other support towards the private sector for their work in cities and towns, perhaps liaising with the <u>MCR2030</u> network?

**Terry:** MCR2030 is an important link for us (I have been a keynote for an MCR2030 webinar, for example). We do see that there is a big intersection with urban centres, and we hope that our ARISE network members have an opportunity to share their knowledge and needs with urban networks.

We have an ARISE Board Work Plan, and one of my key-roles as a Co-Chair is to create and oversee a dashboard for this.



One of the points I track is how we engage with other UNDRR- supported initiatives relevant to the private sector including the Investment Advisory Board (IAB); Corporate Chief Resilience Officers (CCRO); Resilient Infrastructure; G20, EW4AII, and others. Other collaborations towards global resilience include the Global Compact and its Cities Programme.

**Gareth:** Just to give an example of urban resilience and meaningful engagement, I was in Bordeaux, France, in October 2024 to support their "Resilience Month". It was interesting to see the engagement by businesses with the municipal authorities in a month of events taking place, as part of private and public sector engagement. I appreciate that context to a locality is always key, whilst seeing that it is good to share ideas and resources.

**Terry:** Fantastic to hear about your engagement in the France 'Resilience Month', Gareth! We cannot overstate the value of sharing resources and thinking about these resources in our local context. The Bordeaux examples you showed me look interesting, including how engaging they look and their well-thought-out designs. Imagine where well-thought-through booklets and websites are created, shared, translated and re-used in local contexts, making a few adaptations to them as we go!

**Gareth:** Thank you very much for this discussion, Terry. I'd like to finish by asking if you there are any ARISE publications that you would like to point our readers towards?

I'm aware of <u>the News updates</u> that are published on the ARISE global website, and also <u>the ARISE Newsletter</u> that is published regularly, <u>which can be subscribed to here</u>.

**Terry:** They are a good starting point for people to get to know the work of ARISE. We always appreciate feedback on our work and resources. Subscribing to receive news updates that are published on the ARISE global website and the ARISE Newsletter can give readers a rounded view of our activities and initiatives.

Thank you very much for your time and very engaging discussion Gareth! I look forward to your publication - all the best!