

**ARISE in Cancun, Mexico**

**May 24, 2017**

**WORKING SESSION: Ensuring Risk Resilient Critical Infrastructure**

**Mr. Hans T. Sy, Panelist**

Ladies and Gentlemen, GOOD MORNING

Thank you, it is a privilege to be part of this Working Session.

I am Hans Sy, from the Philippines, and I represent SM PRIME HOLDINGS, one of Southeast Asia's largest integrated property developers.

We build shopping malls, high rise condominiums, and hotels, among others.

I started to be part of UNISDR in 2012 as a member of the "Private Sector Advisory Group" and am now with ARISE, the "Private Sector Alliance for Disaster Resilient Societies."

My country, the Philippines has a population of about 104 Million, of which 24 Million, or roughly  $\frac{1}{4}$  of the whole population, is in the Greater MANILA Area, the center of business activities, but which in size comprises only about 2% of the whole country.

In a year, the Philippines has an average of 20 typhoons.

Considering this vulnerability to typhoons, some of which can really be destructive, understanding and recognizing disaster risks in areas of business is important because of both the direct and indirect impact these can obviously have.

With about 70 to 80 percent capital investment contributed by the Private Sector, a country's CRITICAL INFRASTRUCTURE is of vital importance.

Based on the SENDAI FRAMEWORK, businesses depend on Critical Infrastructure such as facilities for safety and security, transportation, communication, and basic services such as power and water.

**An efficient and resilient Critical Infrastructure is imperative for the overall well-being of a nation, its citizens, its economy.**

The government **in turn** expects businesses to be “**DRR-responsible**“ in the areas where they operate. Critical Infrastructures should strictly follow the Local Building Code, moreover, upgrade /retrofit in the interest of safety and protection of lives.

**On the whole**, achieving resilience is a combined effort on the part of the government, the private sector, and civil society.

As a businessman, I take responsibility in doing my share toward DRR, to keep our business stable and highly sustainable.

I invest in resilient infrastructure and employ methods for Disaster Risk Management such as: risk assessment, early warning systems, BCMS, and continuous efforts for capacity building.

**INVESTING IN RESILIENCE is definitely one of our key strategic goals.**

While the cost of DRR continues to rise, let us see it as an INVESTMENT - - an investment that translates not only to immeasurable returns, but a greater safeguarding of our communities, our customers, the general public.

SM PRIME allocates 10% of capital expenditure for DRR in construction of buildings.

By investing in resilience we minimize vulnerability, better safeguard physical assets, reduce recovery expense, and contribute to local government efforts.

**Ultimately we are able to better protect lives, and have SAFER, HEALTHIER, HAPPIER communities.**

BUT how do we encourage businesses to further DRR?

I believe the first obvious step is to make available INCENTIVES for the private sector's risk-sensitive investments to cope with increasing expenses in addressing disaster risks.

Also, definitely helpful would be having a strong and solid involvement and collaboration among Sectors, sharing of best practices, capacity-building, and knowledge management, **through** ARISE Private Sector Alliance, and all other DRR Platforms.

**There is no better group that can effectively promote the benefits of DRR than the private sector itself.**

**WE ARE HERE, we want to be part of the solution.**

THANK YOU.

**Mr. Hans Sy: As a businessman who understands the role of DRR in protecting investment in infrastructure, what is your advice for mainstreaming the resilience of infrastructure?**

Mainstreaming infrastructure resilience is a process.

- **First**, understand the vulnerability of the business to natural disasters.

While most businesses will look at the business opportunity and profitability of an area, it is equally important to look at the vulnerability of the business to natural disasters and calamities.

- **Second**, identify the risks not only to the business but also to the community and other stakeholders.

Employ scientific methods, risk assessment and mitigation.

- **Next**, set goals and commit.

Allocate a substantial or reasonable amount toward your Disaster Resilience budget.

- **Also**, seek strategic partnership with government.

Government should create incentives for business to invest in risk reduction.

- **And**, raise public awareness and education on the importance of risk reduction.

Be an example, be a DRR advocate.

Share best practices and actively promote the benefits of resilience to consumers.

DRR takes commitment, technology, science intervention... and so much more. BUT the benefits of being resilient or being able to reduce and manage risks so greatly outweigh the cost, the efforts, the means.

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