Italian avalanche response; Public communications during London terrorist attack; IEDs in Iraq; Evolutions in medicine, a tactical medic’s perspective; Virtual reality; Scanning risk landscape horizons; Role of lawyers in a crisis; Drones & robotics; Disaster epidemiology; Climate change & security; EENA & Waze pilot project
Sustainable Development Goal 11 (more inclusive, resilient and sustainable cities as outlined as growing informality, insecurity and inequality, slow global change. However, persistent urban issues such Butch Bacani
together, according to A brand new, urbanised world requires a new approach to city resilience
Natural partners in
together, according to Butch Bacani and Evgenia Mitroliou

Today’s urban areas are home to over half of the world’s population – an estimated four billion people – generate 80 per cent of global GDP, consume two-thirds of the world’s energy, and produce over 70 per cent of global greenhouse gas emissions (UN-Habitat, 2016). As hubs of economic activity and human development, cities concentrate both opportunities and risks for their inhabitants. This holds especially true in relation to disaster risk and climate change. For example, the World Bank estimates that without significant investment in urban resilience, natural disasters and climate change could cost our cities $344 billion each year and push 77 million urban dwellers into poverty by 2030.

Persistent urban issues
Thus, appropriate local disaster risk management and climate mitigation and adaptation strategies could drive global change. However, persistent urban issues such as growing informality, insecurity and inequality, slow down this process and obstruct the path towards safer, more inclusive, resilient and sustainable cities as outlined in the UN’s Sustainable Development Goal 3 (SDG 11).

Progress requires significant changes in the way cities are planned, designed and constructed, and the way urban communities manage risk. In this context, cities and insurers should be natural partners in the pursuit of sound disaster prevention measures that protect development gains. However, uncertainty on how to work together has stymied collaboration. The insurance industry sees local governments as challenging ‘clients’ owing to systemic institutional obstacles that can limit long-term private-public partnerships. Conversely, insurance is perceived as an expensive solution, especially for cities in the Global South. The first step towards building a mutually beneficial partnership between cities and insurers is understanding each other’s function, purpose and limitations.

In the context of urban resilience and sustainability, the insurance industry has long been viewed from the narrow perspective of cashing out insurance policies in the event of a disaster. Now, in the face of more frequent, intense disaster events, the industry is increasingly accepted as an important stakeholder owing to its extensive expertise in managing risk. Indeed it is the insurers’ job to know risk. They are experts in identifying, analysing, and pricing risk through advanced risk modelling, data and technological innovations that are typically unavailable to city planners and managers.

Insurers often openly declare: “Cities don’t know their own risk.” Hence, financial risk transfer in the form of insurance pays-off is just one service that could be provided by the insurance industry. In fact, the industry’s role as an advisor on risk management and investments is much more valuable. Cities stand to benefit by involving insurance partners in urban resilience planning from the onset and not after disaster has struck. Why? Insurance considerations – such as the price tag of a given asset’s risk according to the insurance company’s assessment – are crucial in determining the optimal risk management strategies.

More practically, risk assessments and insurance premiums are directly correlated: the premium is the price tag of a given asset’s risk according to the insurer’s very specific and extensive assessment. Any independent assessment by the municipality runs the risk of diverging from the insurance company’s assessment and could be consequently branded as flawed for the purposes of insurance premiums.

It is often why cities find insuring their public assets to be an expensive resilience measure that could be viewed as a luxury. Arguably, this gives insurers substantial control over the financial management of a municipality and a privilege for even the most prosperous. The insurance industry could also influence positive behaviour by incentivising local authorities to undertake vigorous climate change and sustainability action in order to get affordable insurance packages. In the Nordic region, for example, insurance companies may offer cliamants discounts from the insurance company’s assessment and could be consecutively branded as flawed for the purposes of insurance premiums.

The insurance industry could also influence positive behaviour by incentivising local authorities to undertake vigorous climate change and sustainability action in order to get affordable insurance packages. In the Nordic region, for example, insurance companies may offer local authorities discounts from the insurer’s very specific and extensive assessment. Any independent assessment by the municipality runs the risk of diverging from the insurance company’s assessment and could be consequently branded as flawed for the purposes of insurance premiums.

In a recent assessment, the Intergovernmental Panel on Climate Change pinpointed the limitations of the insurance sector in supporting the urban poor around the world: “Standard insurance markets will not protect low-income urban dwellers. For example, around half of Mumbai’s population lives in informal settlements mostly without protective infrastructure and at increasing risk of flooding under most climate change scenarios. This population will not be served by insurance because of the low ability to pay, high risks, and the high transaction costs for companies of administering many small policies. Low-income groups rely instead on local solidarity and government assistance when disaster hits.” However, the insurance sector could still support cities in the Global South by providing essential disaster data. Accurate data on rainfall levels, wind strength, and storm surge maps, for example, could mean the difference between extensive losses and avoided damages.

Results from such efforts may take time. In the meanwhile, enabling public policy and solidarity funding could fill the gaps. Risk pooling or pooling-of-savings schemes such as the urban Community Development Funds implemented in Asia, could provide an alternative for urban poor communities to decrease and disperse the burden of disaster risk within a vulnerable community. Micro-insurance schemes may serve communities in similar ways by helping vulnerable households and small entrepreneurs (often female-led) gain access to funds when they most need it. Closer contact between local government and insurance industry officials would help solve many of the misunderstandings currently in effect. Aligning the language between the two and understanding the unique local context is the first necessary step. Cities have limited capacity to invest in understanding the insurance sector’s role and requirements when it comes to climate risk management and insurance policies. Insurance texts are often particularly technical, which means local authorities would need to hire specialists to analyse the benefit of insurance solutions for their city – a privilege for even the most prosperous.
On the other hand, the insurance industry – even when operating locally – fails to understand the city’s needs and challenges by misconstruing inaction or slow progress in achieving economic, social and environmental development as ineffectiveness. Insurers don’t necessarily see how cities are struggling with issues of informality that hamper their resilience and sustainability efforts. In that direction, an intermediary party, such as a local government network, could bridge this gap to bring these two stakeholders together (see box on UNEP PSI below).

The insurance industry can provide tools and knowledge for designing more resilient, insurable, and bankable infrastructure projects – if it is included early enough in the process. The City Innovation Platform for African Infrastructure Risk and Resilience (CIP AIRR) is one initiative that aims to encourage such early inclusion via open collaboration and exchange. The concept was piloted in Dar es Salaam, Tanzania in October 2016 and brought together local government leaders, private sector and insurance experts, scientists, engineers and community representatives to help identify and promote viable solutions to major infrastructure challenges in the urban areas of the region. Getting the right people in the room shows that both cities and the insurance industry need to make significant strides to reach out to each other and build capacity to work together effectively.

Building the capacity of local leaders who propel changes in the direction of building a resilient and sustainable future is one piece of the puzzle; perhaps a less discussed counterpart is the capacity-building required from the insurance sector to understand cities’ challenges and respond accordingly.

Since local governments have been officially recognised as stakeholders in three major global frameworks in 2015 – the Sendai Framework for Disaster Risk Reduction 2015-2030, SDGs, and the Paris Agreement – the insurance industry recognises the pressing need to work closely with cities and facilitate their efforts to locally implement the global frameworks in order to effect change from the ground-up.

The 8th Resilient Cities Global Forum on Urban Resilience and Adaptation took place in May in Bonn, Germany. For more information, visit: resilientcities2017.iclei.org for more details.

The UN Environment’s Principles for Sustainable Insurance Initiative (UNEP PSI)

Launched at the 2012 UN Conference on Sustainable Development (Rio+20), a public-private partnership between UN Environment and the financial sector capitalised on the opportunity to build a bridge between the two worlds – the insurance industry and global sustainability progress – and encourage implementation of sustainability principles through incorporation of environmental, social and governance (ESG) considerations by financial institutions. UNEP PSI was endorsed by the UN Secretary-General and insurance CEOs and quickly developed into the largest global collaboration between the UN and the insurance industry. Today, the PSI has been adopted by more than 100 insurance and stakeholder organisations worldwide.

In early 2017, the PSI and ICLEI – Local Governments for Sustainability, the leading global network of more than 1,500 cities, towns, and regions – forged the largest collaboration ever between the UN and the insurance industry. The PSI has been adopted by more than 100 insurance and stakeholder organisations worldwide.

The PSI has catalysed a wide range of projects and initiatives that have led to contributions to industry inclusive national and local plans initiated by the insurance industry on climate and disaster resilience, a global resilience research project to understand the most effective strategies, measurement and delivery of climate and disaster-resilient communities and economies, and the first-ever global survey by the insurance industry on how cities and SMEs are addressing climate risks. Going forward, PSI is determined to drive the resilience agenda and priorities, addressing the insurance and investment challenges and opportunities therein. A key priority in this direction is understanding how the insurance industry can work together with governments at all levels in order to deliver local, national and international solutions that build inclusive and disaster-resilient communities and economies. To increase understanding of how these two stakeholders can work together, PSI and ICLEI organised an Insurance Industry and Cities Summit – the first of its kind – integrated into ICLEI’s 2017 Resilient Cities Congress, this May in Bonn, Germany. The summit explained the key roles of the insurance industry and cities in sustainable development, identified resilience and sustainability challenges and opportunities for cities, shared insurance industry solutions and innovated partnerships that build resilience and promote sustainability. The outcome of this summit could benefit other important events throughout the year, such as the 2017 UNFCCC Paris Climate Change Conference.

The PSI’s long-term vision is to develop a set of Insurance Development Goals for the global insurance industry to support and accelerate the implementation of the UN’s 2030 SDGs, the Paris Agreement on Climate Change, the Sendai Framework for Disaster Risk Reductions, and the UN Guiding Principles on Business and Human Rights. Starting in 2017, the PSI will be carrying out a global consultation process to develop insurance industry-wide sustainable development and insurance underwriting guidelines across lines of business to help realize the SDGs – also linked to the SDG for cities.

Authors

BUTCH BAGCAN is Programme Leader with the UN Environment’s Principles for Sustainable Insurance Initiative www.unep.org/psi

EVGENIA MITROLIOU is Programme Officer, Insurance Industry and Local Governments for Sustainability, www.iclei.org

When a crisis is on its way, every second counts.

So think how crucial warning of a dangerous flood or snow storm could be.

Our unique, free app sends you alerts about a huge range of emergencies in your area - and tells you exactly what to do when they happen.

Get instant alerts about severe weather and other emergencies near you, as well as those threatening family and friends.

Refusing to ignore people in crisis

DOWNLOAD OUR APP AND YOU’RE READY FOR ANYTHING

cross-response.com

BritishRedCross

DOWNLOAD IT NOW

refusing to ignore people in crisis
**Select the package that works for you**

The Crisis Response Journal is available by subscription only, making us answerable to our readers for the quality and range of our content. Choose a subscription package below or email us at subs@crisis-response.com

<table>
<thead>
<tr>
<th>Package</th>
<th>Description</th>
<th>Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td>Quarterly printed editions, plus digital edition and full access to entire CRJ archive</td>
<td>£100 / US$120 / €118</td>
</tr>
<tr>
<td><strong>Digital</strong></td>
<td>Quarterly digital editions only, plus full access to entire CRJ archive</td>
<td>£60 / US$77 / €70</td>
</tr>
<tr>
<td><strong>Student</strong></td>
<td>Quarterly digital edition and full access to entire CRJ archive</td>
<td>£30 / US$38 / €35</td>
</tr>
<tr>
<td><strong>Corporate</strong></td>
<td>Five copies of quarterly printed edition, plus digital edition access for up to 30 members of staff and full access to entire CRJ archive</td>
<td>£600 / US$770 / €700</td>
</tr>
<tr>
<td><strong>Institutional</strong></td>
<td>Five copies of quarterly printed edition, unlimited access from one IP address, plus digital edition and full access to entire CRJ archive</td>
<td>£350 / US$450 / €410</td>
</tr>
</tbody>
</table>

Strategic Solutions for Global Issues

Our experienced multi-national team bring years of expertise in all aspects of Resilience, Crisis Management, Policing and Security services, making Crisis Management Limited a key resource for any level of related work, whether at a local, national or international level across public, private or voluntary sectors. We do not believe in 'off the shelf' solutions but seek to work with all clients to ensure bespoke services that meet clients’ needs and expectations. No projects are too small or too large.

Our multi-disciplined team has vast experience across all sectors and continents. Our experts have the flexibility to provide support at State or Government level for long term work, as well as bespoke niche work on a smaller scale and for short periods. The can-do approach of our team means that we can provide support at short notice if required.

- International Experience
- Bespoke Service
- Flexibility
- Customer Focus
- Communication Expertise
- Breadth of experience

www.crisismanagementlimited.com
info@crisismanagementlimited.com