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Catalysing the private sector for disaster response and resilience

Case study of the Philippine Disaster Resilience Foundation

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Abstract

Extreme weather events, earthquakes, volcanic eruptions and epidemics cause the loss of countless lives and bring disruption to many countries. Governments and humanitarian aid agencies are expected to be at the forefront of preparing for and responding to such disasters.

However, occasionally the scale and impact of some natural disasters are so large that additional resources beyond what governments can provide become necessary. In such cases, efforts may be perceived as insufficient and slow. Resources and efforts need to be augmented in order to provide relief and support to those who need it most.

Could the private sector take a more leading role in pre- and post-disaster efforts? How could a structured, long-term engagement reduce the inevitable integrity risks in high-stress disaster situations involving numerous government, business and international actors?

This Policy Brief looks at how the Philippine Disaster Resilience Foundation (PDRF) has emerged as a leading private-sector coordinator for disaster risk reduction and management. It illustrates the important role that the private sector can play in responding to – and building resilience to – natural disasters and other humanitarian emergencies. It also showcases how vital

it is for good governance, integrity and transparent collaboration to be at the heart of those efforts.

Philippines: a country accustomed to natural disasters

The Philippine Disaster Resilience Foundation (PDRF) is an alliance of businesses dedicated to building the disaster risk management capabilities of the private sector in the country.¹ Member companies engage in a sustained and transparent way with stakeholders from government, the international community and civil society, in line with the Collective Action approach that the Basel Institute champions to promote integrity and fair business.²

The Philippines, an archipelago of over 7,000 islands located in the Pacific Ring of Fire, is especially prone to typhoons, earthquakes and volcanoes. The high population density in cities mean diseases risk spreading fast among the country's 117 million residents. Both geography and population add logistical challenges in disaster management.

1 The PDRF works towards a "disaster-resilient Philippines with empowered communities and businesses". See: www.pdrf.org

2 More on Collective Action at: collective-action.com

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At the same time, the unfortunate recurrence of disasters has impacted the resilience of communities and how individuals and organisations approach the issue. Locals talk of the *Bayanihan spirit*, meaning working collaboratively with others in the community and helping one another altruistically in times of need.

The *Bayanihan spirit* infuses business too; the country's many large conglomerates typically have local roots and highly active community-based programmes. These characteristics make the Philippines fertile ground for an initiative like the PDRF that seeks to catalyse the power of the private sector to reduce the impacts of disasters. But as other countries



consider ways to respond to an increase in extreme weather events and other emergencies, they may be inspired by the PDRF's set-up, driving principles and tangible impact on the lives and livelihoods of their fellow citizens.

From recovery to resilience

The trigger

Following a string of typhoons in 2008–2009,³ the Government of the Philippines called on businesses to unite in support of the Government's response. Until then, corporations regularly mobilised to provide relief following natural disasters on their own, but didn't coordinate before doing so.

A cluster of companies came together and created PDRF, initially called the Philippines Disaster Recovery Foundation. It was officially incorporated in 2010 as a private non-profit organisation. An early project was, for example, replanting a watershed area to prevent future typhoon-related floods.

PDRF's coordinated response to super-typhoon Haiyan in 2013 cemented its position as the private sector's umbrella organisation for disaster preparedness, relief and recovery.

Shift to resilience

A turning point was the shift in focus from post-disaster to pre-disaster. Most money goes towards relief efforts: think of the humanitarian assistance flooding into disaster-stricken areas. But investing in prevention and preparedness would save more lives and reduce the impact on livelihoods.

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³ Fengshen, Parma and Kensana – for a more detailed history, see: www.pdrf.org/who-we-are/about-pdrf

To reflect the shift in strategy, PDRF decided to build an Emergency Operations Center and invest in mapping of natural hazards and forecasting and studying natural disasters and risks. The R in PDRF was formally changed from Recovery to Resilience in 2015. Disaster response remains a major part of the PDRF's activities. But the alliance uses the downtime between disasters to plan, coordinate, train and build resilience in companies across the country.

Emergency Operations Centre

Early warning of disasters is key to both preparedness and response. The PDRF decided in 2014 to build an Emergency Operations Centre to monitor climate-related and natural hazards, gather and analyse data, and coordinate warnings, disaster evacuation, asset inventories and emergency services.

Initially located in PDRF's existing office, the Emergency Operations Centre moved into a converted schoolhouse

outside Metro Manila in 2018. The centre, which was retrofitted for multi-hazard resilience, is located in the city of Clark due to its low-risk location and easy access to transportation networks. The centre and its staff, who work 24/7 during a red-alert situation, remain funded by member contributions.

Among other things, the Centre alerts companies of potentially imminent disaster events. This allows them to better protect their own operations by preparing their facilities, offices and employees. It also lets them prepare to help quickly if disaster strikes, for example by stocking up on emergency supplies that may be needed.

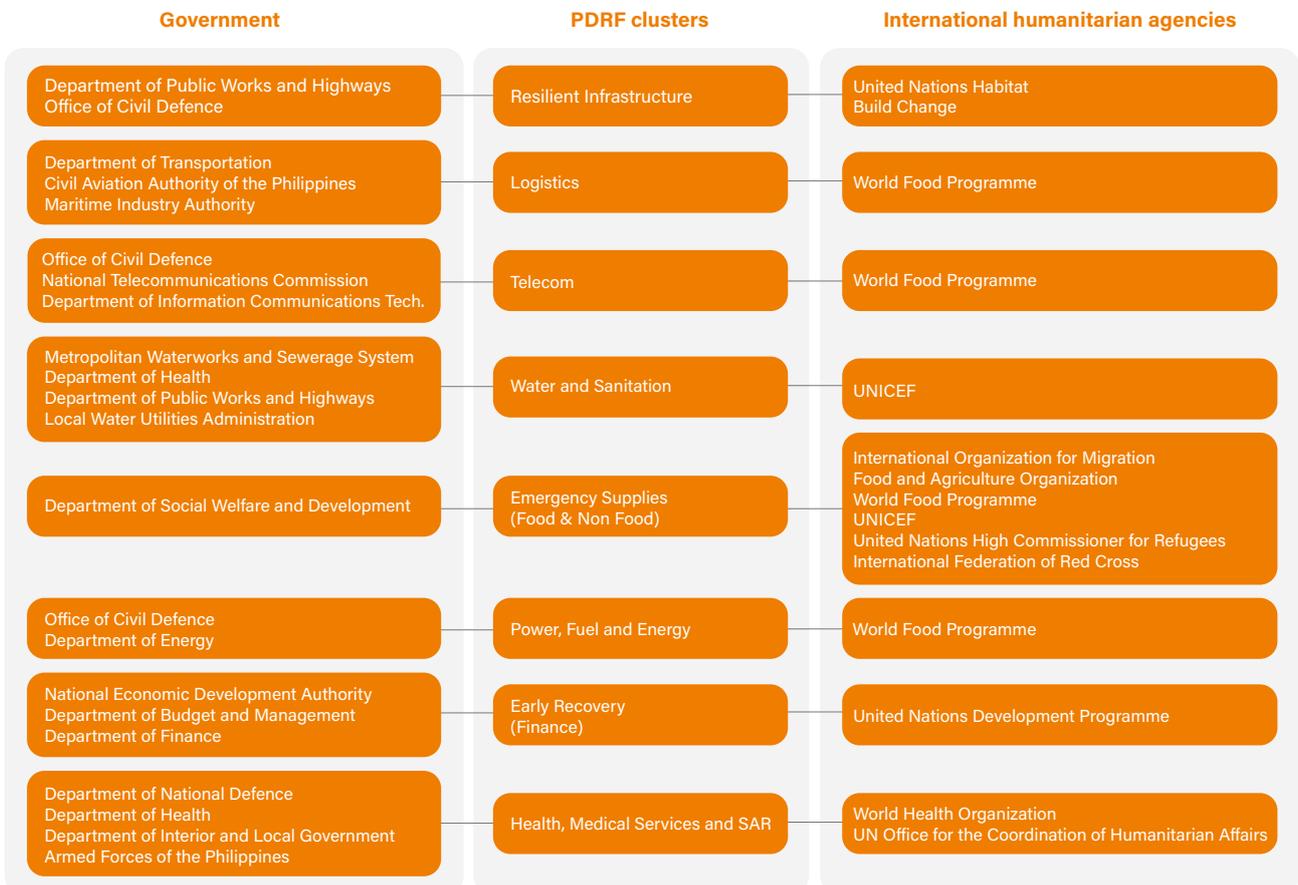
Coordination

Cluster system

The alliance's 60+ larger companies are divided into clusters of essential services, according to what they can contribute in both preparedness and response

The Cluster Approach

Interoperability with Philippine Government and international humanitarian agencies



Each cluster has direct links with relevant government agencies and international organisations in that sector, easing coordination and planning.

activities. In a disaster, the cluster system helps the Emergency Operations Centre to mobilise relevant services and donations quickly according to what is needed on the ground.

For example, if electricity systems are damaged in a storm, companies in the Power, Fuel and Energy cluster can quickly send crews to restore power, set up generators and/or install solar charging systems. Water and Sanitation cluster companies can provide water filters, while construction companies in the Resilient Infrastructure cluster can provide heavy lifting equipment and skilled personnel to operate it. Logistics cluster companies can combine their efforts to transport donated food and other relief items to where they are needed.

Whereas companies donate whatever services and products they can, the Emergency Operations Centre connects the dots, stitches resources together and organises getting them to the places in need. A real-time dashboard shows data on the

amounts donated and where, allowing the operators to pinpoint locations still in need of support.



The PDRF cluster system divides member companies up according to their different business lines and skill sets. Image and more information: www.pdrf.org/emergency-operations-center/cluster-system/

Direct links with government and other stakeholders

Each cluster has a direct link to the relevant government agency for that sector, easing the common problem of public-private coordination. The PDRF has in some cases also mobilised logistics companies to distribute relief supplies provided by the government, or – during the Covid-19 pandemic – to quickly bring in 40 tonnes of medical-grade fabric to produce desperately needed personal protective equipment.



Beyond that, the alliance also coordinates with local governments, the National Disaster Risk Reduction Management Council and the wider ecosystem of entities involved in disaster preparedness and response, including NGOs and international humanitarian agencies.

What businesses can bring

First, essential goods and services. In the Philippines, utilities like power generation and distribution, telecommunications and water (in some areas) are privatised. So too, as in most countries, are services like logistics, food production and pharmaceuticals. Businesses need to be involved, as governments simply cannot provide these services themselves.



Second, resources. Larger companies contribute the most in terms of financial resources. Three of the PDRF's senior leaders are seconded from companies at no cost. Smaller companies tend to give in kind rather than in cash, contributing what they can.

Third, management skills. The business sector brings valuable management and technical skills to the field of humanitarian work. Member company representatives often apply their management skills to efficiently manage key teams responsible for employee safety and security and crisis management.

Fourth, speed. Businesses are typically more agile than bureaucracies, and speed is everything in the early stages of a disaster. Governments bring scale. Marrying the private sector's speed and with the government's scale helps address the problem.

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Fifth, business continuity to keep the economy going and bounce back quickly. For example, small and micro companies are not expected to give; instead, they can contribute most by undergoing PDRF's free training on business continuity planning. Many are suppliers to larger companies, so supply chains will snarl up if they stop operating. This is especially important with regard to the production of essential goods. And if small businesses recover quickly, local economies recover quickly.

Role of governance and transparency

Disasters are by nature situations of stress, danger and emotion. How does PDRF help businesses "do the right thing" in such difficult situations?

The first key is training, regular interaction and relationship building well before an emergency happens. PDRF's training courses include drills and tabletop exercises that build up muscle memory, so in an emergency the training kicks in and people can calmly do what they have been trained to do.



The second is to ensure that procedures are transparent and in line with PDRF's core value of integrity. Transparent and open procedures for public-private interactions mitigate perceived integrity risks. Transparency ensures that everyone is on the same page and people on site have the information and guidance they need to make the right decisions even in a challenging and unpredictable situation.

Last, integrity risks in disaster situations often arise around hasty procurement deals and financial assistance. That is why the PDRF pre-arranges donations of goods and services from member companies, sometimes even in the form of a written agreement. In a crisis, the agreement kicks in; not having to negotiate aids both transparency and speed. And since no money changes hands, procurement fraud and other corruption risks are in any case reduced.

Building trust

Building trust between businesses operating in the same sector is challenging, as they are naturally competitors. Building trust with other stakeholders is equally challenging and requires time – something the Collective Action approach seeks to achieve.



Information management

PDRF ensures that everyone is treated equally in terms of sharing information for disaster planning – there is no insider information.

Confidential information about the member businesses gathered for the purpose of disaster planning, like where their employees are located and what they have agreed to donate, is kept strictly confidential.

Donations and acknowledgement

Companies also have an equal opportunity to give, either alone or together with other companies. That kind of collaborative effort builds trust over time.

In addition, each company is equally acknowledged and credited according to their donations, and can submit geotagged photos using the PDRF member app.

Sustained collaboration

Briefing meetings with the companies and the government are open affairs, where everyone can ask questions or provide suggestions. That kind of open and sustained collaboration over time has helped to build trust levels among members.

Externally, the PDRF has made significant efforts to build working relationships with third parties, from Government and NGOs to international humanitarian agencies. Meeting, planning and discussing everything from policy to practice helps all involved to develop a common understanding and relationships of trust.

Recommendations to practitioners considering a similar initiative

- 1. Seek a critical mass.** You need to bring in senior business leaders and companies to make an initiative such as PDRF work sustainably. Leveraging existing business networks can help.
- 2. Build strong and trusting relationships** with all stakeholders – something that will take time, patience and facilitation skills.
- 3. Invest in data and technology from the outset.** Forecasts and early warnings require significant investments in data and analysis, but are the foundation of any work in disaster management.



4. Be generous with that data. Sharing disaster-related information with others, including emergency operations centres operated by governments or local governments, optimises the benefits of that information and reduces the risks if your data hub is knocked out.

5. Put transparency, integrity and good governance at the heart of the initiative. Only then will you gain the trust of members and external stakeholders, including the general public. These values are key to ensuring robust preparation, calm and beneficial decisions in a crisis situation and a speedy recovery afterwards.

For advice on setting up a multi-stakeholder initiative, contact our free Collective Action Helpdesk via: collective-action.com/get-involved/helpdesk

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