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"The more governments, UN agencies, organizations, businesses and civil society understand risk and vulnerability, the better equipped they will be to mitigate disasters when they strike and save more lives." – Ban Ki-moon, United Nations Secretary-General

The role of the private sector in Disaster Risk Reduction (DRR), according to the Sendai Framework, entails reforming business models to include disaster management policies, forming private-public partnerships to create greater synergies in DRR implementation and cooperating with international organizations to build resilient societies while promoting global sustainable development. In the Latin American and Caribbean region, the private sector contributes to an estimated 90% of economic activity as well as 9 out of 10 jobs which enable economic growth, development and poverty reduction (Inter-American Development Bank 2010). Thus, given its substantial contribution to the socio-economic progression of the Greater Caribbean region, the private sector is considered a crucial contributor to the reduction of disaster risk.

Although considered a key stakeholder, to engage adequately in DRR, the private sector must first quantify the return on investment from incorporating resilience—and determine whether or not it is indeed an asset. As a result, recognizing good DRR practices based on objective analyses, and providing financial rewards for same, renders the incorporation of DRR policies in business planning attractive to the corporate community (UNISDR 2013). As a case in point, the Development Bank of Japan (DBJ) launched a successful nationwide project which encouraged private sector investments in DRR by providing preferential rates on loans and incentives tied to 'DBJ Business Continuity Management (BCM) Ratings,' based on third party assessments of private companies' level of disaster preparedness (UNISDR 2013). Moreover, over the period 2006 to 2012, 54 companies were awarded the BCM rating which highlighted their vulnerability vis-à-vis disasters; and 44.7 billion yen was granted in loans which increased the private sector's ability to reduce their vulnerability to disasters (UNISDR 2013). In the long run, this initiative provided a cost effective disaster preparedness strategy that incentivised private enterprises to engage in the reassessment and incorporation of DRR strategies.

The integration of disaster risk management can also be further explored via the formation of closer public-private partnerships within and among countries. In the case of Small Island Developing States (SIDS), these developing nations “face disproportionally high risks” as a result of “size, location and characteristics of their economies” and consequently, “face the highest potential losses” with respect to their “capital stock, investment and social expenditure” in the event of natural disasters which are intensified as a consequence of climatic changes (Global Assessment Report 2015). It is also therefore necessary to consider the social aspects of disaster planning especially since statistics indicate that “by 2050, 70% of the world’s population will live in urban areas,” (UNISDR 2014) thereby increasing global vulnerability. Pertinent to the increased levels of urban migration, should be the increased development of resilient infrastructure – as increased concentrations of city populaces leads to increasing disaster risk. In this scenario, the private sector must seek the holistic integration of DRR in the form of raising disaster awareness through education in DRR, fostering a culture of disaster prevention by promoting preparedness and including comprehensive hazard and risk management policies such as insurance facilities into its normal decision-making processes - alongside other business risk. There is a clear mutual interest for the public and private sectors to work in partnership, as the private sector relies on the resilience of public infrastructure and services to conduct their businesses, and governments and communities depend on resilient business practices for a stable and sustainable economy (UNISDR 2015).

Further to this, greater international cooperation leads to aligned global investments in DRR thereby increasing global resilience. The United Nations Office for Disaster Risk Reduction (UNISDR), to further its global mandate of building resilient societies by fostering sound DRR policies, has developed the Private Sector Alliance for Disaster Resilient Societies or ‘ARISE’. This program functions strategically with the private and public sectors to assess and formulate global benchmarks and best practices in DRR, tied to the targets and commitments of the Sendai Framework. Likewise, the Association of Caribbean States (ACS) has engaged in collaborative efforts to benefit its Member States in the area of DRR by seeking to reduce the direct and indirect impacts of disasters, on both private and public sectors. Initiatives such as the Model Building Code for Earthquakes and Wind Loads and the Database of Post-Disaster Financial Mechanisms are tools made available to be utilized by public and private sector to improve resource mobilization capability, mitigate the macroeconomic effects and ensure economic continuity and competitiveness, in both pre and post disaster situations. International organizations level their visibility to launch and learn from multi-stakeholder platforms by sharing leading practices that enable the private sector to drive the transformational resilience processes at the community, national and regional levels.

It is evident that DRR lays the groundwork to the 17 Sustainable Development Goals, as an underlying thematic area. From an economic and international business perspective, the accumulated losses of output, the fall in productivity and the stagnation of the factors of production – land, labour, capital and enterprise - result in the discontinuity of business operations and are further compounded by lapses of time, decreased organizational profits and governmental revenue in the aftermath of calamitous events. The subsequent decline in surplus production for exportation leads to decreases not only Gross Domestic Product (GDP) but simultaneously negatively affects the balance of payments of national accounts and the ability of the government to allocate public expenditure to finance the provision of public goods which are all causes for corporate concern. Thus, as the data suggests that “annual global investment of US $6 billion in appropriate disaster risk management strategies would generate total benefits in terms of risk reduction of US $360 billion” (Global Assessment Report 2015), the benefits to be derived by investing in strategic disaster risk reduction significantly outweigh the additional costs sixtyfold.

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