

## SYNERGIZING BUSINESS RESOURCES FOR DISASTER OPERATIONS

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SHORTLY AFTER SUPERTYPHOON YOLANDA HIT BACK IN NOVEMBER 2013, the government—through Rapa Lopa and Bill Luz—called on the private sector for greater coordination with them so that we could all effectively respond to a situation where all systems and institutions were practically overwhelmed. While each of our companies were individually responding to Yolanda, we could see that it made sense to move in a more coordinated fashion.

### RESPONSE FROM THE PRIVATE SECTOR

Makati Business Club Chairman Ramon del Rosario quickly convened the meeting which included myself, Montxu Aboitiz, Ed Chua, Piki Lopez, Doris Ho, Rapa Lopa, and Butch Meily to discuss this request. An organization called Philippine Disaster Recovery Foundation (PDRF) already existed which had been active since Typhoon Ondoy in 2009 and had responded effectively to the Bohol Earthquake in October 2013. We decided to give Manny Pangilinan, its chairman, a call and asked if he wanted to combine efforts to respond to the government's call. As a result of Manny's openness, the PDRF board was reorganized by December. Manny also invited His Eminence Cardinal Tagle to join. A pledging session was held in January 2014 with [the Office of the Presidential Assistant for Rehabilitation and Recovery,] the task force assigned to coordinate the response to Yolanda.



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*Mr. Jaime Augusto Zobel de Ayala was one of the three main speakers at the First Stakeholders' Forum of the Philippine Disaster Recovery Foundation at the Peninsula Manila Hotel last 16 April 2015. Published here are excerpts from his speech.*

After more than a year engaged in the recovery effort, it has become clear that all of us in the business sector and the private sector need to re-think our approach to disaster response and management. I draw your attention to this quote from UNDP Administrator Helen Clark, "This summarizes the trend in global spending related to disasters: 90% is aimed at repair, relief, recovery and reconstruction, while only 10% is targeted at higher impact investments on building disaster resilience. Yet, every dollar spent on resilience and preparedness yields great returns."

### **DISASTER-PRONE COUNTRY**

According to the World Risk Report of 2014, the Philippines is the second most disaster-prone country in the world, next only to Vanuatu. We basically face four types of risk: typhoons, earthquakes, volcanic eruptions, and possibly even pandemics. Typhoons are the most frequent hazards in the country, with over 20 typhoons entering the country each year, of which three may hit supertyphoon strength. As the Philippines also lies within the Pacific Ring of Fire, the country is also at risk from earthquakes and volcanoes. The country's high seismic risks are also coupled with volcanic risks as 22 out of the Philippines' 300 volcanoes remain active. In recent years, diseases like SARS, MERS-COV, and Ebola have emerged in different parts of the world. Like other countries, the Philippines is also exposed to emerging pandemic risks. An outbreak in the country would have catastrophic effects to Filipinos and to our economy.

### **THE DISASTER OPERATIONS CENTER**

Given our knowledge of these recurring hazards and risks, the PDRF decided to take concrete action aimed towards enhancing the role of the business sector to respond to these risks in a way that improves collaboration and cooperation with the government. We have decided to establish a PDRF Disaster Operations Center with these three goals in

mind: The first goal is to ensure coordination and collaboration. The second goal is to empower individual businesses to build their own disaster resilience. Finally, the third goal is to strengthen the preparedness of SMEs that work directly with larger organizations so that smaller businesses will be as prepared as the larger corporations that they support.

The Disaster Operations Center in turn will have three key features. The first is the PDRF Network itself, a network of corporations and partners. This network will facilitate collaboration, resource sharing and joint planning. The network should be active before and after disasters strike. The second is a permanent office which will be our coordination and operations base. PDRF may, in the future, setup a Field Operations Center or mobile base of operations in disaster areas to serve as the field office, briefing room, and deployment areas for member corporations, but only if field operations are necessary. For the moment, we will concentrate our efforts on the first two features.

The Disaster Operation Center will gather forecasting and early warning data for typhoons through multiple sources. For earthquakes, the center will engage experts in risk assessment and scenario-building to anticipate potential damage and plan necessary preparedness measures. When a natural disaster strikes, the Disaster Operations Center will conduct damage assessment in close coordination with the government and international organizations. We will then proceed to respond in heavily damaged areas, if necessary, and monitor our deployment and coordinate with partners to avoid duplication of efforts.

To determine how PDRF can easily integrate into existing disaster management systems in the Philippines, we studied existing national and international frameworks and organizational structures.

Our plan is to establish the center in support of NDRRMC and Admiral Pama so we can respond in a calibrated manner and extend our support to any of the needs that he may need in the future.

Based on existing international and national systems, PDRF decided to form six clusters where members of the PDRF Network can easily integrate to ensure collaborative actions on disaster preparedness and response. These clusters include logistics; telecommunication; water and sanitation; emergency supplies, including food and non-food items; power, fuel, energy; and early recovery, particularly banking and finance for faster cash transfer during disasters. We believe that these six areas are the core strengths of the Philippine private sector where we can respond swiftly and contribute effectively in times of disasters. And hopefully support all the efforts that government will be making at a time of crisis.

The center will have a dedicated Operations Team who will also promote disaster preparedness measures among businesses and partners, and lead disaster operations during disasters. The Disaster Operations Team, however, will only be the first of four layers of staffing that we are proposing for the PDRF Network. The second layer will be seconded staff from partner companies that can be seconded to the center and will assist in its operations during disasters. A third layer can be seconded from partners in international organizations, while the fourth layer will be volunteer groups or unaffiliated experts willing to help during disasters.

We will establish a Disaster Operations Center as a permanent office. This center will serve as a command and coordination center of the PDRF network and partner agencies during disasters. Our aim is to create two sites, one in Luzon and the other in the Visayas so that one can still operate if the other is affected by a major disaster. In anticipation of future disaster response, the Disaster Operations Center will be built to respond to four worst-case scenarios including a destructive earthquake in Metro Manila; flooding/super typhoon; volcanic eruption; and a pandemic outbreak. We formed these assumptions knowing that if the center can respond to these, it

can respond to less damaging disasters effectively.

In terms of the physical structure, we aim to customize an existing building situated in a low-risk and highly-strategic location with access to air, sea, and road networks. The building will showcase resiliency features like solar-wind hybrid power system and rain water catchment. It also will have full stand-alone operating capabilities in terms of supplies and resources to allow it to operate on a 24/7 basis during disasters. The facilities will have a command center, a conference room, a training room and office rooms, among others. Aside from the physical facilities and equipment, we are also looking into using computer programs that will enable high-quality virtual communication and transfer of information especially before or during a disaster.

We have secured a site in the Clark Freeport Zone already. The CDC Board already approved the rent-free use of the site for 10 years with an option for an additional 10 years. The site is located just around four kilometers from the Clark International Airport and six kilometers from the SCTEX, which links it to the Subic Bay Freeport Zone in case a port will be needed in future operations.

#### **BENEFITS FROM CORPORATE DISASTER PREPAREDNESS**

Membership or participation in this project offers benefits to companies.

First, minimized business disruption and reduced downtime after a disaster. Second, better preparedness for companies and their employees. Third, informed decision-making through greater awareness of risks. Fourth, access to the operation center's facilities and information system. Fifth, opportunities to participate in training on disaster risk reduction. Sixth, collaboration and coordination with members of the PDRF Network. Seventh, closer coordination with government and international agencies. And eighth, avoid redundancy of efforts and wasted resources during a response.

To ensure quality implementation of this initiative and to sustain our operations, we ask for commitments from the companies that have registered. First is to identify two key personnel, your Business Continuity Program and Disaster Risk Reduction point person and a Seconded/Surge Staff. Second, we ask you to submit an inventory of corporate assets, anything that you may have that may be of use which may be used in a coordinated disaster response. The third involves an annual financial contribution [so] that we can make this a large undertaking. The amount will serve to be small compared to the benefits that you will get. Fourth, participation in planning, training and drills, and in disaster response operations, when necessary.

Through the center, PDRF will also implement the PDRF Learning Series. The center aims to implement



*The Makati Business Club invites guest speakers to its General Membership Meetings and MBC Briefings to discuss public issues and trends, whether local or global, that have an impact on Philippine development. MBC Forum highlights the speeches and discussions at these gatherings. The full text of speeches and other presentations may also be found at the MBC website, [www.mbc.com.ph](http://www.mbc.com.ph).*

three training activities to build the knowledge and level of preparedness of partner corporations. These training modules include the Rapid Earthquake Damage Assessment System or REDAS Training of the Philippine Institute of Volcanology and Seismology; Weather 101 and Tropical Cyclone 101 of Weather Philippines; [and] the Training on Disaster Preparedness for SMEs in Metro Manila primarily through Business Continuity Planning, with the University of the Philippines Institute of Small-Scale Industries. ■

Excerpts edited by  
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#### **ABOUT THE SPEAKER**

## **JAIME AUGUSTO ZOBEL DE AYALA**

Jaime Augusto Zobel de Ayala is the Chairman and CEO of the oldest business house in the Philippines, with operations in real estate development, banking, telecommunications, utilities, and infrastructure, among others. An alumnus of Harvard Business School, he was a recipient of the school's prestigious Alumni Achievement Award in 2007. He is the Chairman of the APEC Private Sector Advisory Council, and one of the three Philippine representatives to the APEC Business Advisory Council. He is also the Co-vice chairman of the Makati Business Club. ■

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