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O1. SUMMARY

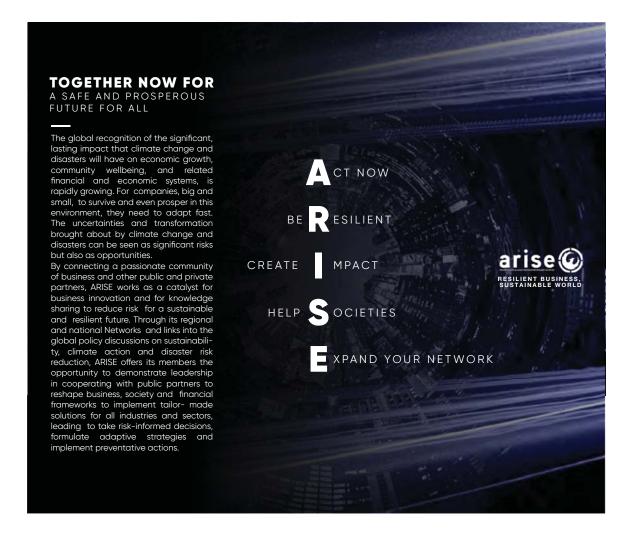
IN MID-2019,

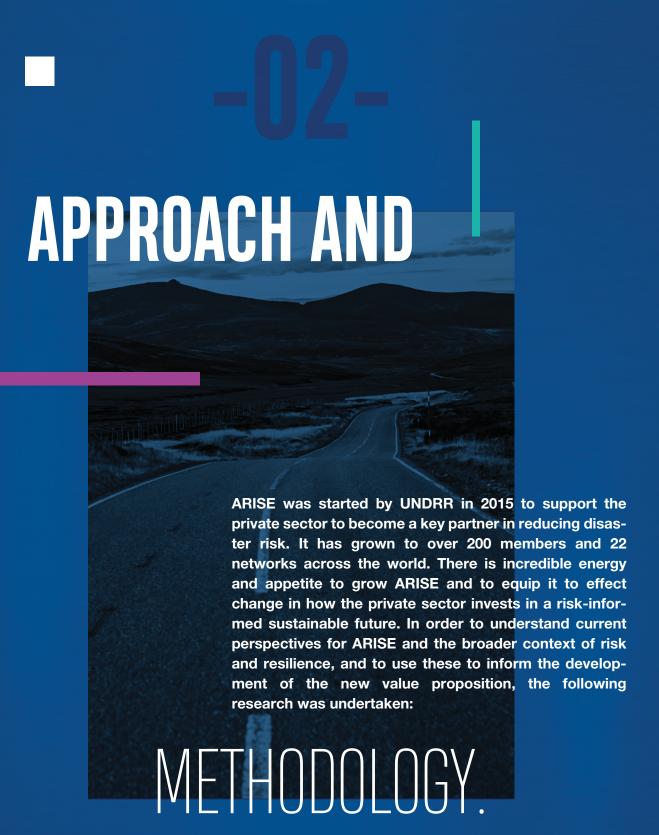
with the support of ARISE Mexico, the ARISE board began the process of refreshing all core ARISE governance and profile documents with the aim to support the re-positioning and refreshing of the ARISE brand, offering and activities. A central part of this process was to develop a new and compelling value proposition, as the architecture of the ARISE brand proposition to its audience. It is crystalized by a short statement that sets out the issue, solutions and what part ARISE plays in this. It will be featured in the ARISE terms of reference (TORs), guide the communication strategy and become the pivotal identifier of ARISE.

As a result of this work, the following new value proposition was developed



BUILDING ON THE ABOVE CONSIDERATIONS, THE FOLLOWING VALUE PROPOSITION WAS AGREED:







DIAGNOSIS:

Review of key global policy documents that inform the landscape of ARISE and UNDRR's activities, as well as corporate strategies and practices for disaster risk reduction (DRR) and resilience building. Documents and inputs included the Sendai Framework for Disaster Risk Reduction 2015-2030, the Paris Agreement on Climate Change (2015), the ARISE Terms of Reference and the ARISE website. These agreements and documents form the underlying basis for ARISE and risk-informed investment and are therefore critical to the update of the ARISE value proposition.

102 + COMPARATIVE BENCHMARKING:

ARISE was compared with similar organizations working in the same areas. This comparison was made with brand audit tools applied to documents and materials published online by non-government and private sector organizations including United Nations Global Compact, World Business Council for Sustainable Development (WBCSD), Small Enterprise Evaluation Project (SEEP).

03 + INSIGHTS:

16 in-depth interviews were conducted with representatives and decision-makers of current, former and potential member companies across different countries (USA, Japan, India, Mexico, Switzerland).

04 + DIMENSIONING:

Assessment of the main variables making up the current value proposition (attributes, concept, clarity, etc.). An online survey was sent to ARISE members (49 members participated).

05 - VALIDATION WORKSHOP

With the ARISE Board, UNDRR staff and other select participants (date and number of participants to be defined).

INTERNAL (for Board usage): Positioning brief (including value proposition)

INTERNAL (for ARISE members - accessible through the ARISE online networking space): Communication strategy (including value proposition)

EXTERNAL (for general public – accessible on ARISE public website): value proposition to be highlighted on ARISE website.

-03-

CONTEXT

Investing in risk reduction and resilience building saves lives and makes financial sense as it preserves and protects capital assets and allows continuation of trade and community life in times of increasing frequency and intensity of disasters. Therefore investing in risk reduction is relevant and compelling for Governments and businesses alike.



Ten years, disasters have dramatically impacted communities, global development and prosperity: more than 1.5 billion people were affected by total economic losses of more than \$1.3 trillion (UN).

Business as usual is no longer enough: The hyper-interconnectivity of our world, combined with exposure levels of people and assets that are rising faster than vulnerability is reduced, are exposing our financial, economic and social systems to new, hithertho unknown and unforeseen risk. Amplified by climate change, we are facing an increasingly interconnected and cascading risk landscape where both natural and human-made hazards reverberate across countries, systems and sectors.

With this, climate and disaster risk is rapidly turning into financial risk, which undermines development, economic prosperity and growth.

Yet, this challenge has not gone unnoticed by policy-makers, the private and financial sector and their regulators. We saw at DAVOS 2020 a whole new discussion on the role of business in contributing to planetary wide outcomes. Business leaders unilaterally called for new business models that future-proof people, the planet and profit scenarios. We are seeing a shift from viewing people as shareholders to people as stakeholders.

Recognizing the problem of mispriced risk, as well as the opportunities linked to risk-informed investment and business practices, businesses and the financial sector have taken a lead in promoting the integration of environment, social and governance (ESG) and climate risk into business investment and practice. Initiatives on climate risk financial disclosure, sustainable financing and green bonds are thereby offering new opportunities for disaster risk reduction to be put centre-stage in support of long-term sustainable returns and stakeholder focused business engagement.

THIS IS A

Unique moment for ARISE to bring together the public and private sector and other stakeholders and provide the guidance needed to implement the shift from protection to prevention, from profit to purpose and long-term sustainable returns.

For ARISE, four main priority areas have been determined to enable change and measurable impact:

- 01. Enhancing the resilience of **Small and Medium Enterprises (SMEs)**
- 02. Integrating disaster and climate risk into investment decisions by the **financial sector**
- 03. Incentivizing disaster risk reduction and enhanced data for risk-informed decision-making through engagement with the **insurance** industry as global risk manager
- 04. Supporting resilient infrastructure development

NEEDS AND OPPORTUNITIES FOR ARISE TO ACHIEVE ITS MISSION AND OBJECTIVES INCLUDE:



BEING PART OF THE PARADIGM SHIFT IN THE BUSINESS WORLD AT LARGE:

The fast changing social, economic and environmental landscape and increasing focus on the role of business in the implementation of the SDGs, represents an opportunity for ARISE to clarify and publicize its mission and goals: to enable the private sector to make risk-informed business decisions and set them on a path for opportunity creation within their industries and communities.

FROM PARTICIPATION TO IMPLEMENTATION:

ARISE members are convinced that there is a need for preventative actions and long-term risk reduction thinking. Business members want to know what to do to deal with abrupt change, cope with protracted crisis and manage future uncertainty in order to realize business opportunities through prevention.



Often business owners don't know how to convert their concerns into effective preventive action that delivers resilience in the immediate, medium and longer term. Furthermore, business must be made more aware of the added value and economic and social benefits of disaster risk reduction for effective climate action and sustainable development.

-04-

IDENTIFIED BARRIERS

ARISE needs to build relevance, increase visibility, and provide concrete opportunities for action to mobilize the private sector and to fulfill its mission to "Create risk-resilient societies by energizing the private sector in collaboration with the public sector and other stakeholders to achieve the outcome and goal of the Sendai Framework for Disaster Risk Reduction in a transparent, inclusive way that delivers local, measurable impact engagements."

AND OPPORTUNITIES

ARISE MEMBERS

WERE WORKING AS A LOOSE NETWORK:

Choosing the areas most relevant for them to act on at the national level, creating and building their own resources and tools. There has been little in common beyond a name and shared passion. Several tools have been developed under the ARISE banner such as the City Disaster Resilience Scorecard, the Small Business Assessment Survey tool and most recently the Scorecard for Industrial and Commercial Buildings issued in January, 2020.

Now that the UNDRR-ARISE Terms of Reference have been updated as of January 2020, ARISE members need inspiration and guidance to turn their interest into solid, joined up actions. ARISE members want to collectively implement initiatives and action so their businesses and communities are risk-resilient. By extension, investing in resilience should have benefits for the communities in which these businesses operate and for business investors by eliminating unanticipated liabilities and maintaining business continuity. This is critical if the private sector is going to add value and play a major role in reducing risk at societal level. Together, ARISE members' leveraging powers can create and drive change towards risk-informed investment.

ET, AND AS UNCOVERED

BY THE RESEARCH^[1], THE PURPOSE AND REACH OF ARISE ARE NOT YET ENTIRELY CLEAR TO ITS CURRENT MEMBERS AND POTENTIAL MEMBERS.

A PERCEPTUAL GAP BETWEEN RESILIENCE AND BUSINESS PROSPERITY:

88% of current members are convinced by the added (corporate social responsibility) value of supporting resilience and risk-integration for the survial and well-being of communities. However, the business-case for disaster-prevention and resilience remains not yet fully understood, as only 57% of the members believe that the private sector needs to invest in resilience to thrive and prosper.

RESILIENCE IS NOT FULLY ASSOCIATED TO THE MISSION OF ARISE:

Linked to the above, only 35% of the members connect the activities of ARISE with implementing long term resilience and risk-informed investment whilst the majority focuses on disaster preparedness and response.



A LACK OF TANGIBILITY OF THE OBJECTIVES:

Only 34% of current members think that the objectives and mission of ARISE are clear. "We struggle to define what ARISE is, and it makes us lose a lot of time".

THERE ARE DIFFERENT DRIVERS AMONGST CURRENT MEMBERS:

This is reflected in who is engaged in ARISE, from CSR managers to risk managers to business development teams. This may require different approaches to achieve the long-term goal of ARISE of risk-informed business investment.

ADDITIONALLY² ARISE MESSAGES AND ADDED VALUE APPEARED TO BE MORE DIFFUSE VS. OTHER ORGANIZATIONS AND WAS SEEN AS:

Scarcely assertive: lacking engagement and persuasion cues

Confused: using technical jargon to explain a complex structure

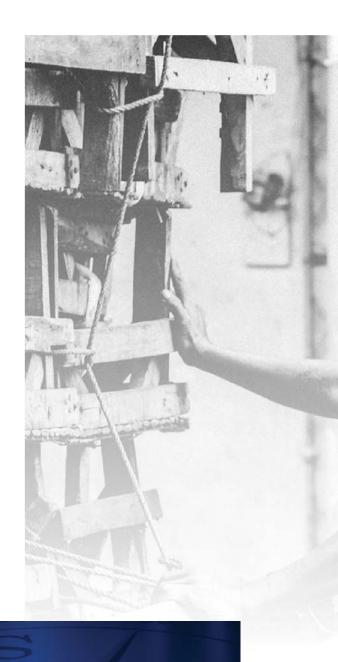
Distant: giving the impression that one needs to be an expert to fully grasp the

mission and structure

Excessive: conveying long messages that can't be summed up in an "elevator pitch"

A LACK OF IMPACT AND CAPACITY CONSTRAINTS:

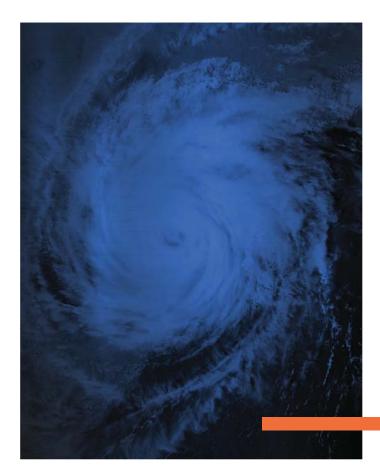
ARISE is not perceived as impactful and only 29% of the board members believe in its capacity for action. "In order for ARISE to function with effectiveness, it needs to be more concrete".



WIDER CHALLENGES:

Disaster Risk Reduction (DRR), as a term, is perceived as negative and technocratic by ARISE members. It is felt to be theoretical and not appropriately reflecting the full reality of business risk exposure and related economic impact. It is perceived as lacking a call to action; members also feel that it is unclear how the integration of DRR into business models relates to prevention and sustainability.

Resilience is a more widespread concept yet with a multitude of similar, but subtly different definitions.



ARISE members have a fragmented understanding of resilience: ranging from being prepared for disasters, to being able to adapt or to recover from adversity to moving from reaction to proactive action.

There is also a lack of understanding about the role of **UNDRR and relevance of the Sendai Framework** to the activities of the ARISE members and networks which needs to be addressed.

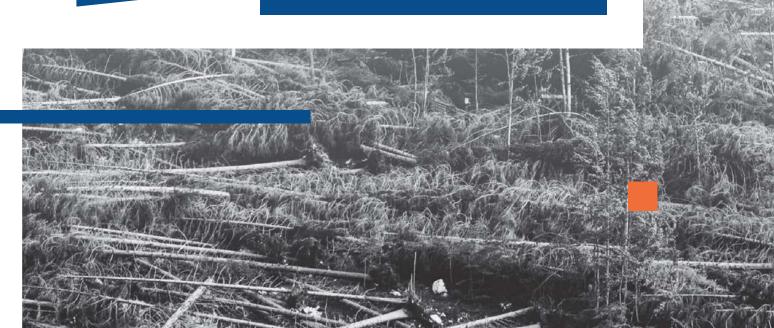


WE NEED TO CLARIF

Whilst disaster risk reduction (DRR) and resilience sit at the heart of the ARISE network, what it means, what it looks like and the benefits it brings to the business community needs to be more clearly explained. Its relevance can be increased through linking it to more business-friendly concepts such as risk management, environment, social and governance (ESG) criteria, risk-adjusted pricing and returns, financial transparency and accountability.

Specifically, DRR should be more clearly related to the increasing prominence of the climate emergency and related business trends, such as the integration of the SDGs into corporate strategies, shift from strict profit focus to purpose and to corporate responsibility and from shareholders to stakeholders, and last but not least the transformation of the financial system and business regulation in support of climate action.

ARISE must get smarter about communicating compelling calls to action.



CONCEPTUALLY,

ARISE must clearly explan how and why the **Sendai Framework, and its links to the Paris Agreement for Climate Change and the Sustainable Development Goals (SDGs),** provide the overarching policy framework for ARISE's objective, namely: risk-informed investment for sustainable development. Climate and disaster risk reduction are key for sustainable development and profits, and the achievement of the Sustainable Development Goals (SDGs).

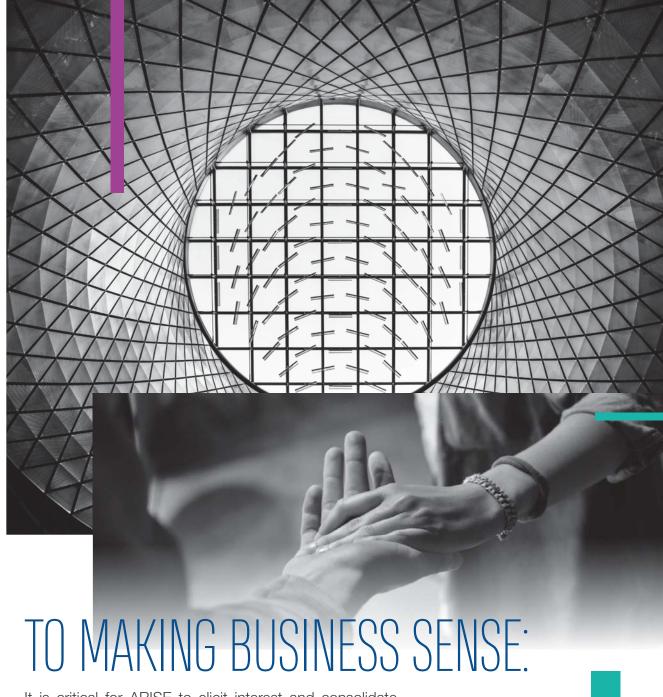
ARISE must also explain more clearly the importance to look at risk in a comprehensive manner, including the emerging systems and systemic risk caused by the increasingly interconnected risk landscape. This also includes the appearance of new threats, such as pandemics and other biological hazards as well as technological and environmental risks, that have to be translated into concrete action that ARISE can spearhead and support.



Source: UNFCCC Technical Paper, FCCC/TP/2017/3

The role of UNDRR as convenor of the ARISE network and connector for public-private collaboration, as well as the provider of opportunities in aligning ARISE with other global sustainability and financial initiatives, should be clearly communicated as part of the value proposition.

40VING FROM THEORETICAL THINKING



It is critical for ARISE to elicit interest and consolidate engagement. ARISE should move beyond theoretical premise to practical examples of business innovating and thriving. **ARISE** is a vehicle to guide and influence the resilience movement that will secure the future of society.

The communication package: messages, assets and delivery mechanisms are key in delivering the core promise of the value proposition. There is a need to set aside institutional statements: private companies are more down to earth and focused on results.



SHIFT FROM PROBLEMS TO SOLUTIONS.

Whilst it is always good to remind people why something has to change (i.e. highlight the problem), ARISE needs to dramatically improve how it talks about and demonstrates impact. ARISE communication assets and key messages need to shift from describing the issue to demonstrating solutions – highlighting the work of ARISE members and challenging members, existing and potential, to replicate and scale success.

STRAIGHTFORWARD, CONCISE AND INSIGHTELII MESSAGES are needed

INSIGHTFUL MESSAGES are needed across identified communication channels, such as, "5 steps for risk-informed investment", 'how to future-proof your company'.

Critically, **ARISE** members need to feel that they are part of a movement that is bigger than their individual network. There need to be avenues for recognising the contribution of members to the movement: how their participation makes a difference.



DIFFUSE MISSION .

NO TANGIBLE OBJECTIVES LOW COMPLEX STRUCTURE PERSUASION | SCARCE PROVEN

NO GRASPABLE BENEFITS
TECHNOCRATIC COMMUNICATION STYLE
COLD AND DISTANT

SHIFT FROM PROBLEM TO SOLUTION DEMOSTRATE REACH AND EFFECTIVENESS

CONCRETE OPPORTUNITIES FOR ACTION

MEMBERS ARE PART OF A BIGGER MOVEMENT

ARISE AS AN ENABLER

HIGHLIGHT THE BENEFITS

TANGIBILIZE
RISK-REDUCTION
CONNECT DISASTER

PREVENTION TO RESILIENCE

STRAIGHTFORWARD & DOWN-TO-EARTH MESSAGES

THEORY TO MAKING BUSINESS SENSE

-05-

THE NEW VALUE

On joining the network, ARISE members make five commitments to:

- **Raise awareness:** of disaster risk reduction and the benefits of mobilizing the private and public sectors.
- **Build influence:** to ensure that spheres of expertise can be used to drive change.
- Share knowledge: so that experience and good practice builds cohesion.
- | Catalyze innovation: to develop relevant and impactful risk-informed investment decisions and strategies.
- Support implementation: to help the private and public sectors contribute to achieving the Sendai Framework, and through this supporting climate action and sustainable development.

PROPOSITION:



THE BENEFITS OF ARISE IN TERMS OF COLLABORATION AND INDIVIDUAL BENEFITS

There is a sense that ARISE members want to contribute to something that is bigger than the sum of their parts. They want to be seen to be doing the 'right thing' and responding collectively to changing risk in a changing world. It has to be clear that this shift to better risk-informing investment and management strategies is critical for the survival of any individual business. At the same time, regulators, policy-makers and fellow business leaders including from the financial sector must be made increasingly aware of the financial and business risk caused by disasters and climate change.

ARISE'S VALUE PROPOSITION SHOULD SPEAK TO COMPANIES THAT WANT TO:

- Contribute to a global movement of their peers for resilience improvement, disaster risk reduction and sustainability.
- Safeguard long-term, sustainable, risk-adjusted returns for their own business and sector as well as communities.
- Thrive through realizing the business opportunities that come with a shift from reaction to proactive preventive approaches to climate and disaster risk.

INSPIRATION THROUGH ACTION

- Role of ARISE: A PLATFORM and ENABLER, bringing best and good practices of the private sector to the public sector and other stakeholders, in order to generate action for individual businesses and communities in which they operate as well as for global good.
- Tangible action: Where is the network active? What are the main achievements? What change has ARISE generated?
- Benefits for the members: Stay ahead, including anticipating policy, legal and regulatory changes and benefit from business opportunities linked to disaster risk reduction; Being part of a network committed to addressing the big challenges of our time; networking with leading global institutions; developing skills and capacity to be successful sustainably; access to world class technical assistance to enable your business to thrive in the future. Benefits should be communicated as outcomes that are both individual and collective.



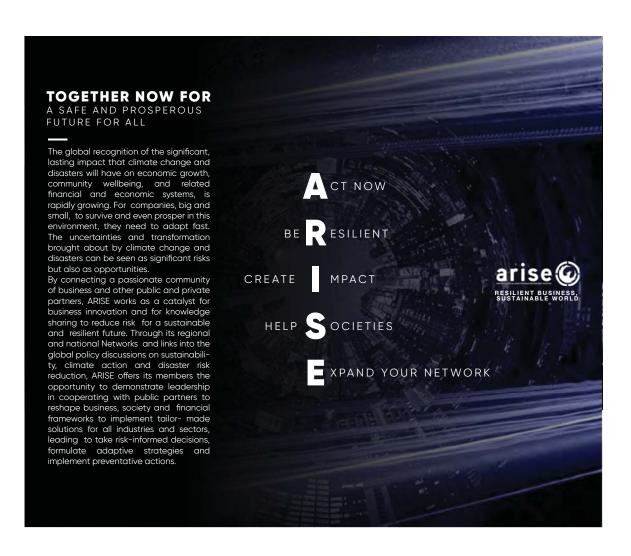
IMPACTFUL RESULTS

Communicating unforgettable facts and data and showcasing success stories is critical. Communicating the new, agreed KPI's that measure the reach and achievement of ARISE will also help communicate the impact and relevance of the organization.

STRENGTHEN OUR ACCOUNTABILITY

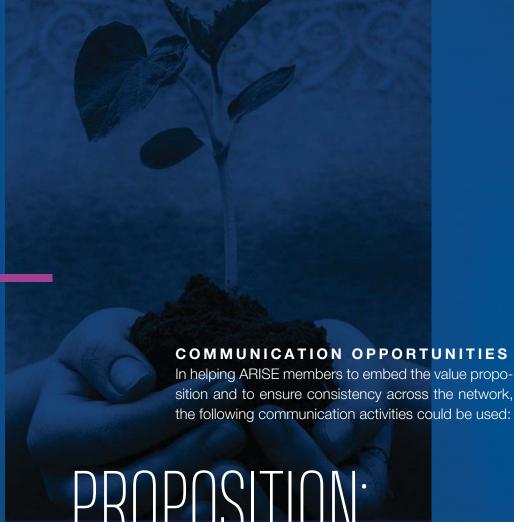
Through strict monitoring and reporting of members' activities and results.

THE FOLLOWING NEW VALUE PROPOSITION WAS DEVELOPED:



This document gives an overview of the process, challenges and opportunities behind developing the new value proposition and introduces the new value proposition and rationale behind it.

GROUNDING THE VALUE



PROPOSITION:



SHARE BEST PRACTICES

Implement a communication process that can highlight achievements, feature different approaches and provide examples of collaboration.



BUILD UP THE ARISE KNOWLEDGE BASE:

Provide ARISE members with guidance to consider and integrate disaster risk into business management plans and investment decisions (i.e. by publicizing examples and best practices). Produce short, clear documents and 'how to' series to implement risk management procedures and enforce a culture of prevention in their organizations.



DEMONSTRATE SUCCESS

Demonstrate our credentials through showcasing tangible results and case studies (testimonials, quotes, etc.)

- For the current members: newsletters which communicate achieved goals throughout different media and touch points.
- For potential members: highlight the critical need to act now, leveraging the climate emergency and underlining the potential for innovation and business opportunities through preparedness and the role that the private sector can play in DRR. Provide assessments about the economic impact that the integration of risk management procedures would have on their P&L (sharing any investment metrics studies that ARISE already owns). Communicate the results and impact of members' own participation in the ARISE network.





CREATE OPPORTUNITIES FOR CROSS-POLLINATION

Promote regional and international cooperation among different companies and across industries to:

- Swap success stories and explore opportunities for replication and scaling integrated risk reduction and innovation.
- Promote events related to risk management initiatives to facilitate ARISE membership networking across countries and industries.
- Propose a catalogue of companies specialized on risk diagnostic, disaster risk prevention and opportunity assessment.



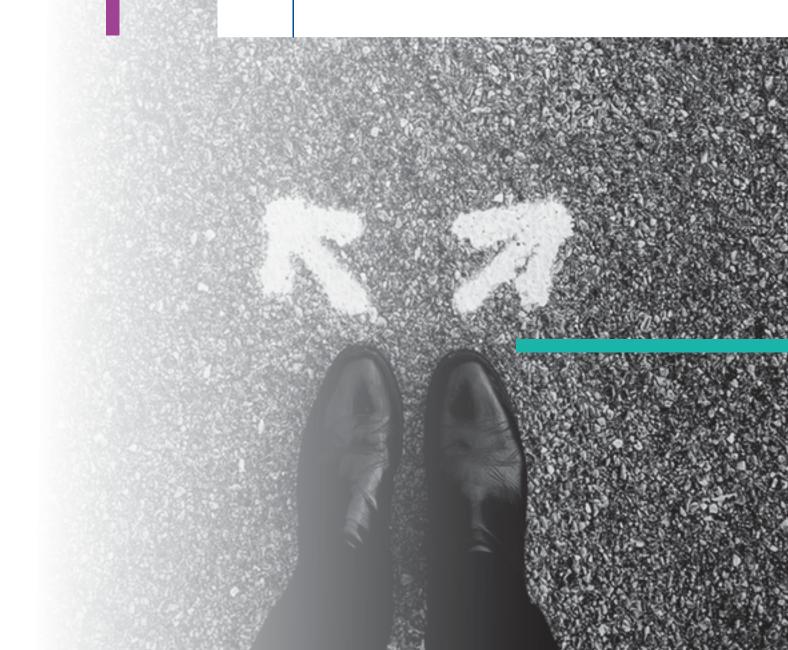
IDENTIFY AND AGREE NETWORK-LEVEL PRIORITY ACTIONS AND ACTIVITIES

Compile and communicate annual work plans that can be followed-up by the board on quarterly basis.



ESTABLISH A RECOGNITION SYSTEM

Celebrating examples of resilience in practice within ARISE networks.



ARISE FOCUS AREAS AND **KEY PERFORMANCE INDICATORS (KPI's) 2020-2021**



Risk-informed development, disaster risk reduction and preparedness action by encouraging and supporting the private and public sectors to put in place policies and practices to reduce disaster risk and related human and economic losses. It mobilizes and facilitates the private sector to carry out risk-informed investments and to apply business practices that reduce and prevent the creation of risk, build resilience and enhance recovery from disasters, in line with the Sendai Framework.

Whilst ARISE networks are generally free to choose the focus of their activities aligned with national and regional specificities and requirements, it is deemed important to further align network activities as much as possible in order to achieve best impact and visibility of ARISE. This will also enable more active information sharing and collaboration amongst ARISE networks and with other private sector initiatives.

IN ORDER TO SUPPORT



IMPACT AND VISIBILITY, THE FOLLOWING GLOBAL KEY PERFORMANCE INDICATORS ARE SUGGESTED TO GUIDE THE ACTIVITIES OF ARISE NETWORKS AND MEMBERS TO MAXIMISE IMPACT:

50% of all ARISE Networks implement projects on enhancing long-term resilience of Small and Medium Enterprises

Collaboration between financial and private sector partners and public sector entities on the integration of disaster and climate risk into investment decisions initiated in 10 networks/ARISE member locations and/or sectors

20% of ARISE networks have established partnerships and/or implement projects with the insurance industry to shift protection to prevention and incentivize the integration of disaster risk reduction considerations into the sectors' business models

20% of ARISE networks are piloting projects on resilient infrastructure, including promoting risk-informed investment through global initiatives such as the Coalition for Disaster Resilient Infrastructure.

ARISE PRIORITY

AREAS AND

KEY PERFORMANCE INDICATORS 2020-2021



KEY FOCUS WHY HOW TO ENGAGE KPIS DETAILS

SMES

40-60% of SME do not recover from a disaster; at the same time SMEs represent over 80% of any national economy and are closely linked into community structures. They are therefore critical for the resilience of countries and communities; lastly SMEs recognized drivers of innovation which is key to changing our approach to DRR

UNDRR Global Survey 2019

Support the development of guidance

Implement SME resilience projects

50% of all ARISE Networks implement projects on enhancing long-term resilience of Small and Medium Enterprises ARISE Networks and members undertake and promote SME survey; # of responses: +100

ARISE members engage in development of global guidance and recommendations on enhancing the resilience of SMEs

Five (5) ARISE networks pilot the new guidance

To realize risk-informed investment by the private sector at large, influencing the financial sector is a key leveraging point. Engagement in the ongoing global momentum under the SDGs and climate discussions offers the opportunity for the integration of disaster and climate risk into financial sector investment decisions

Unpack knowledge and expertise within ARISE

Develop the business case for resilience and DRR for key sectors

Explore and report on engagement with national regulators, public and private partners on how to incentivize risk-informed investment Collaboration between financial and private sector partners, regulators and Government entities on the integration of disaster and climate risk into private and financial sector investment decisions initiated in 10 networks/ARISE member locations and/or sectors.

ARISE leading/facilitating five (5) sector-specific DRR and resilience guidance; e.g. travel and tourism (ARISE Japan); Electricity/Energy (Enel/WEF)

Five (5) ARISE networks build a partnership with their national financial regulators and develop guidance or supporting documents and projects to encourage greater integration of disaster and climate risk into national financial sector regulatory frameworks

ARISE supports UNDRR's engagement in the development of relevant global and regional processes on risk disclosure and accountability, including the development of a resilience taxonomy under the EU CMU Action Plan on Sustainable Finance and the TCFD discussions

Investment and Investors



Insurance

The (re-)insurance industry has a critical role to play in DRR. With risk at the core of its business, the industry has a opportunity to lead both from an insurance/lability side as well as asset management to change the current single hazard, short-term business approach of the sector and encourage risk-informed business management strategies and practice.

Work with national insurance companies, insurance regulators and policy makers to shift the current approach of insurance from response to prevention.

20% of ARISE networks have established partnerships and/or implement projects with the insurance industry to shift from protection to prevention and incentivize the integration of disaster risk reduction considerations into the sectors' business models, including focused on enhanced availability of data for DRR.

Three (3) ARISE Networks have established public-private partnerships with insurance sector and related partners to encourage the integration of risk reduction and resilience considerations into insurance models, products and asset management decisions. Two (2) ARISE network project to work with insurance on improved availability, accessibility, interoperability of loss and damage data at the national and local levels.

Resilient Infrastructure

With over USD9 trillion to be invested in infrastructure by 2030, it is critical that this investment is risk-informed.

The new Coalition for Disaster Resilient Infrastructure (CDRI) is an opportunity for ARISE to pilot resilient infrastructure through the national networks ARISE engagement with CDRI

Develop and apply assessment tools for resilient infrastructure (commercial scorecard) across ARISE Networks and members

Promote and present the case for DRR at key infrastructure meetings and processes

20% of ARISE networks are piloting projects on resilient infrastructure, including promoting risk-informed investment through global initiatives such as the CDRI and BRI ARISE members engaged in five (5) resilient infrastructure projects, including the Coalition on Disaster Resilient Infrastructure (CDRI)

ARISE Commercial Scorecard applied across 20% of all ARISE networks

ARISE Case studies on resilient infrastructure published by 2021

ARISE members organize/engage in at least 10 meetings on resilient infrastructure globally.



