Reducing the costs and consequences of industrial disasters through capacity building and preparedness

Partnership proposal to insurance and reinsurance companies

www.gcint.org
Green Cross is inviting (re)insurance companies to partner

Green Cross International (GCI), founded in 1993 by President Mikhail Gorbachev, is a non-profit, non-governmental organization working to address the inter-connected global challenges of security, poverty and environmental degradation through advocacy and local projects. GCI is headquartered in Geneva, Switzerland and has a network of national organizations in some 30 countries.

GCI launched its new programme on environmental emergency preparedness at the Rio+20 conference in June 2012. Its objective is to **reduce human suffering and economic losses from industrial accidents** by building capacities of communities and local authorities near hazardous industrial sites in developing countries.

This programme ensures that communities and emergency services are adequately trained and prepared to respond to industrial emergencies, with effective coordination among the industries and other actors at local level. A reduction of the risk for human populations as well as a significant decrease of the economic costs of accidents will thus be achieved. This process will also increase awareness for hazards at local level and as such have a positive impact on the environment.

In this perspective **we share common objectives with the insurance and reinsurance sectors**. For this reason GCI is proposing to establish mutually beneficial partnerships with insurance or reinsurance companies. Green Cross and its partners would work together to tackle the impacts of disasters with on-the-ground capacity building projects. Projects will be implemented in locations defined in close consultation with our partners, according to their interests and GCI capacities.

You will find in this brief document details on how we intend to proceed to reduce the impacts of industrial disasters in the developing world by building capacities of local authorities. You will also note the benefits that your company could have from partnering with us. We appreciate your consideration and hope to work with you in the future.
Our initiative:

Our initiative includes 3 main elements: (i) we work to address the impacts of industrial disasters; (ii) we focus our efforts on industrializing countries; (iii) we work at the local level, with local authorities and populations. Here is why:

**Preparedness for industrial disasters**

While there are a number of organizations active in the area of preparedness for natural disasters, there is hardly any international NGO assisting developing countries with building preparedness capacity at the local level with regard to industrial and technological accidents. In this connection, some major accidents of the last 30 years could be mentioned:

- Bhopal chemical disaster, India, 1984
- Schweizerhalle chemical spill, Switzerland, 1986
- Marinduque mining waste disaster, Philippines, 1996
- Donana mining waste disaster, Spain, 1998
- Izmit refinery damage and fire, Turkey, 1999
- Baia Mare toxic waste spill, Romania, 2000
- Toulouse AZF fertiliser factory explosion, France, 2001
- Jilin petrochemical plant explosion and toxic spill, China, 2005
- Ajka alumina sludge spill, Hungary, 2010
- Mukuru-Sinai slum fuel pipeline explosion and fire, Kenya, 2011
- Gumi chemical accident at Hube Global plant, Republic of Korea, 2012
- Waco fertilizer plant explosion, TX, USA, 2013

These accidents led to important human and economic losses as well as considerable environmental impacts. However many smaller accidents also result in significant negative impacts.

**In industrializing countries**

The risks of industrial accidents are high both in the developed and in the developing world, because the industrial facilities often act as a magnet for housing and other developments and thus we find homes, schools, shopping districts, and transport facilities close to the boundaries of hazardous installations, making the consequences of an accident even higher.

Green Cross focuses its efforts on developing countries also because they often have fewer regulations or incomplete enforcement, inadequate resources for prevention, preparedness and response, and limited number of staff with technical training.

**By building capacities of local authorities and populations**

Local authorities and populations are at the forefront of responding to industrial accidents. Reducing risk at the local level is therefore fundamental. Consolidated practice confirms that the involvement of communities, and the adoption of a participatory approach to risk management, represent the most cost-effective and sustainable mechanism for reducing risks. With this initiative, we would train all the relevant local stakeholders and as such deliver practical results on the ground by achieving a reduction in the number of losses of life and human suffering from emergencies, as well as decreasing disaster-related environmental and economic losses.
Our strategy to address the problem

Capacity building projects would be carried out through the network of Green Cross national organizations in some 30 countries. In addition, as a partner of many other organizations GCI is able to carry out on-the-ground projects in all regions of the world.

All our projects involve highly-qualified experts in the field of industrial emergencies and capacity building. Our work is based on the methodology developed by the APELL process (Awareness and Preparedness for Emergencies at Local Level) of the United Nations Environment Programme, which has been successfully introduced in more than 30 countries and in over 80 industrialized communities.

Local authorities (municipalities, firemen and police) and populations, in collaboration with the relevant industries would improve their own ability to deal with industrial disaster management significantly by establishing local mechanisms and processes for identifying, assessing, preventing, preparing and responding to various potential industrial accidents they could be exposed to. The process involves a close collaboration with the industrial companies and includes the development of community emergency plans, with practical aspects such as simulation exercises.

Typically, the implementation of projects would include 10 basic steps:

1. Select sites locations in concertation with our partners
2. Identify the local authorities and establish their roles, resources and concerns
3. Evaluate the hazards and risks that may result in emergency situations in the community
4. Have authorities review their own emergency response plans
5. Identify the required response tasks not covered by existing plan
6. Match these tasks to the resources of the identified participants
7. Improve existing plans, integrate them into an overall community plan and gain agreement
8. Educate authorities about the plan and train emergency responders (simulation exercises)
9. Establish procedures for periodic testing, review and updating of the plan
10. MONITORING AND EVALUATION

Carry out a monitoring and evaluation mission after a year and carry out additional trainings

Each particular situation is assessed according to the local industrial hazards and the local context. Capacity building activities are planned accordingly by our experts. The monitoring and evaluation mission ensures the methods and processes are still in place after an initial training. Our partners on the ground, our experts and our staff will ensure that the knowledge acquired is duly transferred and disseminated on a long-term basis.

This is how we envisage the implementation of the projects, but we remain attentive to our partners’ suggestions concerning improvements.
We do have common interests

Reducing disastrous social, economic and environmental impacts of industrial accidents is particularly relevant for insurance or reinsurance companies, and this is why Green Cross International is willing to explore ways of partnering with them. With our programme we expect to reduce the human, economic and environmental losses, and at the same time contribute, through capacity building, to sustainable development in industrializing countries. Pursuing common goals, we are looking for establishing a “win-win” partnership.

The value of partnering with Green Cross

As an insurance or a reinsurance company you could benefit in several ways to partner with our programme. Such benefits include the following:

1. Contributes to saving lives
2. Contributes to sustainable development in developing countries
3. Reduces insurance claims costs
4. Is promoted through the Green Cross online network
5. Is promoted during international conferences and events
6. Is promoted through national and international press releases

The support we need

Our goal is to develop our programme in order to reach the largest possible geographical coverage and the biggest possible positive impact on populations. In order to achieve this, such a partnership would include a joint identification of hazardous locations and industrial partners, as well as a financial contribution that would allow the implementation of projects and the coverage of a part of the programme coordination costs. Our experts could also work together with the (re)insurance companies’ experts on the field projects in order to capitalize on the respective competences and strengths of both partners. When applicable, efforts would be made for looking for additional funding from public development agencies and other donors for specific projects.

On the long-term, we believe the insurance sector could be a significant lever to raise awareness and improve practices among industrial companies on preparedness actions at local level. We hope insurance or reinsurance companies will find a value in our programme and we thank them in advance for their consideration.
Green Cross is present in:

Argentina
Australia
Austria
Belarus
Bolivia
Brazil
Burkina Faso
Canada
Côte d’Ivoire
Czech Republic

Denmark
Estonia
France
Ghana
Hungary
Italy
Japan
Republic of Korea
Netherlands
Pakistan

Poland
Russia
Spain
Sri Lanka
Swaziland
Sweden
Switzerland
Taiwan
Ukraine
USA

Note: We are able to work globally thanks to several partnerships with other NGOs and organizations.