

# INTRODUCTION

From 9/11 to the Asian Tsunami and this season's deadly hurricanes, the question of how to prepare for and manage disasters is on the minds of business leaders and policy makers around the world. Europe too has been re-examining its preparation for such events, in particular in light of security concerns, speed of response and efficiency of resources. Indeed, the Institutions of the European Union are in the process of improving the mechanisms for addressing both internal and external disasters and examining how they might meet tomorrow's challenges.

The EU structure lends itself well to better coordination between its 25 members, and this closer co-ordination may also allow it to react faster, using the latest technological advances (such as early warning systems and enhanced security screening) and provide for a more effective and efficient response. Kenyon International supports any efforts by Member States to more closely co-ordinate responses to disasters; the recent Oxford Metrica research report, *Protecting Value in the face of Mass Fatality Events*, clearly demonstrates that the activities of any organisation in the first ten days following a disaster can have a fundamental impact on both public perception and trust levels. For corporations, this can have a dramatic impact on its future survival and success; for governments, the impact is on long-term reputation, and ultimately, future electoral success.

Global disasters require "global responses" and often have multiple interlinked and varied causes. In response, States are increasingly aware of the need to work together and plan ahead. Against a backdrop of the tsunami, hurricanes and earthquakes, policy makers are increasingly concerned about potential new sources of disasters like a global flu pandemic of similar strength to the 1917 Spanish Influenza which killed millions of people. The UN, several national governments, and international scientific bodies are already planning a managed response.

In this document, Kenyon International will examine international structures currently in place to assist disaster response. Based on their extensive field experience dealing with some of the worst disasters and crises of the 20<sup>th</sup> and 21<sup>st</sup> centuries, Kenyon also will offer perspectives and priorities for future action.

## EU CAPABILITIES

### *Differing Scenarios*

Europe faces particularly complex challenges regarding disaster management. First of all it must deal with a range of possible *internal* disasters and events, from floods in Central Europe to terrorist attacks in London and Madrid. The powers of the supranational European institutions in this regard are limited and individual states continue to exercise a sovereign role. It is the Member State government most affected that finds itself managing the emergency, and has ownership of the response.

The current chain of response is such that if there is a flood along the Odra & Vistula Rivers in Poland, the Polish government would carry primary responsibility for the response effort, in coordination with other affected countries, such as the Czech Republic and Slovakia. If necessary, the Polish government would ask other countries for assistance through a series of mechanisms at its disposal, such as the UN, NATO and the other EU Member States, either directly or through the European

Commission. The latter would then act as a call centre to record the incident and coordinate directly back with Poland.

When a disaster happens abroad, EU Member States manage assistance to their citizens first and foremost through national consular services and embassies in the affected country and may or may not work together. Neither is coordination guaranteed when Member States assist affected countries, and this can also pose problems of duplication and inefficiency. Despite a few good examples of multi-country crisis management, there are many cases where a more coordinated response by the EU could have improved the processes of reuniting families, managing grief, identifying victims and repatriation.

It is therefore not surprising that the EU has been hesitant to act more comprehensively in this arena. During the Tsunami response, the EU Presidency spoke on behalf of the 25 Member States and coordinated certain actions, but since Member States retain individual responsibility for disasters within their borders, and the UN coordinates all international assistance in accordance with its mandate, scope for concrete action is limited. This chain of responsibility was most recently underlined by a Council Resolution on 18 July 2005, expressing EU support for integration and coordination with the UN:

*“The Council...underlines the overall role and responsibility of the United Nations in coordinating international civil protection assistance in third countries, where present...in this regard, the European rapid response capability could contribute to the strengthening of the UN capacity building for rapid action in the face of humanitarian disasters.”*

NATO too can play an important role in the international response to crises (within the context of a UN mandate), providing many different types of support to the effort, including logistics, planning and communication. This support is provided based on decisions by the membership to assist any of the 26 allies, the Alliance's 20 partner nations, or outside organisations based on their request and the Members' subsequent commitment.

- ***Kenyon supports European efforts to develop a co-ordinated, streamlined response to disasters, both at home and abroad. This will result in more efficient use of resources (aid, disaster response, etc.), and will also have a substantial positive impact in public trust and public readiness in times of crisis.***
- ***The EU should also consider a more active role in coordinating the use of critical infrastructure in the event of a crisis, within the territory of the EU. Thought should be given to how the EU can coordinate with the corporate sector to most effectively provide infrastructure services.***

### **Streamlining Current Mechanisms**

Despite the lack of hard powers, the EU has a variety of mechanisms, for the most part managed by the European Commission, to provide financial and material support to deal with internal and external disasters. The mechanism is triggered whenever the scale of a disaster is deemed to exceed national capacities.

There are currently two types of mechanisms available at European level; those providing funding<sup>ii</sup> and those which provide resources (such as goods and technical expertise)<sup>iii</sup>. A key feature of the current mechanism is the Monitoring and Information

Centre (MIC). When a country launches an assistance request, the MIC checks for potential assistance (such as crisis management teams and material and equipment) and can also mobilise small expert teams to assess the situation, coordinate the operations and liaise with authorities and international organisations.

The Commission is recommending the EU immediately adopt a modular approach to crisis management, with each country identifying in advance rapidly deployable and self-sufficient “modules” (rescue teams, decontamination units, etc.). This new legislation<sup>iv</sup> is expected to enter into force in 2007<sup>v</sup>. A small number of modules will be on permanent standby and financing for the MIC will be made available to hire equipment which cannot be obtained from the Member States.

One area of possible development is the role of the EU in the difficult task of victim identification. The Member States, with the support of the European Commission<sup>vi</sup>, are seeking improvement. Whilst there has been a great deal of cooperation in this area in recent months, there is room for improvement – in particular, a harmonised approach to the transmission of data on missing persons and unidentified bodies to Interpol (to which all 25 Member States belong). Specifically, this would mean adopting Interpol’s international standards. The Council will also discuss the use of a unique international database on missing persons hosted by Interpol.

This database would allow countries to submit data on a given missing person to a central database, ensuring the widest possible reach to identify the victim. This would make the system more efficient and, in the case of a death, avoid duplication of forensic work. This is especially important in disasters outside the EU, since forensic experts from other countries may use different techniques.

The EU already responds to disasters using a range of instruments, most of which will be re-examined in coming years, and either revised or substituted. Most notably, the EU response to natural disasters in third countries is currently under discussion. However, it remains to be seen how each Member State will react to the calls for change.

- ***There is substantial scope for further co-operation between Member States of the EU, in particular with regard to victim identification.***
- ***Kenyon supports the concept of creating an enhanced victim identification and missing person database, and urges EU Member States to work with Interpol to make the idea operational.***

## CHALLENGES FOR FURTHER EU-LEVEL ACTION

### ***Complementing the UN***

If the EU does consider broadening its role in disaster management, a key challenge will be its relationship with the United Nations. As the recognised global organisation for co-ordination and response to emergencies, the UN has already carved out its niche and demonstrated its international reach and capabilities. UN teams can be on the ground within 4 hours to assess damage and relief requirements, and the organisation holds a central register of the type and duration of assistance its members can offer, while Interpol has responsibility for international coordination of activities such as victim identification following disasters.

It is therefore not surprising that the EU has been hesitant to act more comprehensively in this arena. During the Tsunami response, the EU Presidency spoke on behalf of the 25 Member States and coordinated certain actions, but deferred all international coordination to the UN. This chain of responsibility was most recently underlined by a Council Resolution on 18 July 2005, expressing EU support for integration and coordination with the UN:

*“The Council...underlines the overall role and responsibility of the United Nations in coordinating international civil protection assistance in third countries, where present...in this regard, the European rapid response capability could contribute to the strengthening of the UN capacity building for rapid action in the face of humanitarian disasters.”<sup>vii</sup>*

The UN believes this is the most effective method of coordination and most EU Member States agree. Therefore, if the EU is to grow in the area of disaster management, it needs to do this as a complement to UN activities, and must avoid duplication. A European version of the US Federal Emergency Management Agency (FEMA), would appear to be a distant political possibility, but Kenyon urges Member States to examine how best to fulfil this complementary role.

- ***The UN's role in the management of global crises is effective and should not be usurped or duplicated.***
- ***Kenyon urges the EU to explore options for complementing the UN's role and enhancing its effectiveness through pan-European response mechanisms.***
- ***As a first step, the EU should make funds available for civil protection projects, organise EU-wide training and provide for the exchange of expertise and best practice in Europe and beyond.***
- ***The EU should also consider a more active role in coordinating the protection and use of critical infrastructure in the event of a crisis.***

### ***Attitude of EU Member States***

Many Member States are hesitant about closer co-operation, for a variety of reasons, both technical and political. At the technical level there are numerous barriers to a greater EU role in disaster management, many of which are technical, with little hope of being addressed in the short term. For example, water hoses from an Italian fire engine will not fit a German one – indeed, these standards are often different even within a single country. Civil protection in Europe is a national, regional or even local responsibility, meaning that there is no central procurement system or standards.

At political level, Member States naturally have their own priorities and alliances – for the moment, they are content for the EU to assist with the circulation of information whilst they keep disaster management assets and decisions closer to home.

According to the UK Presidency, current discussions remain fluid. Discussions are ongoing regarding the appropriate scope of future legal instruments for civil protection in Europe – whether, for instance, EU activity should extend to such issues as marine pollution or public health crises.

Our own research indicates that few countries appear willing to give the European Commission competence over forensic work and repatriation of victims, but they are more supportive of an integrated EU action during a public health crisis or a marine

pollution emergency. However, even in such a case, the coordinating role of the UN would never be challenged.

- ***Above all, it is important for government bodies at all levels to clarify their respective roles and responsibilities in the wake of a disaster.***
- ***Kenyon believes that, as a first step, the countries of the EU should progress towards greater cooperation and the development of coherent national and local standards in the area of civil protection.***
- ***At the political level, the desire of Member States to keep control over their civil protection and crisis response activities is certainly understandable. However, in doing so, Member States miss the opportunity to respond to disasters more effectively and with greater efficiency. Closer co-operation can lead to the development and sharing of best practice, and can also facilitate faster joint and shared assessments of the situation.***
- ***Kenyon urges Member States to look for ways to overcome political differences and work more closely together. In the long run, faster and more efficient response makes good political sense.***
- ***The EU should not neglect the role of corporations in responding to disasters; indeed, policy makers should actively look for ways to work with the corporate sectors to facilitate crisis planning and reaction.***

### ***Mobilising Corporations***

What is the expected role of companies during or ahead of a natural disaster or terrorism incident? Clearly there is an expectation that companies of all sizes should develop and update emergency operational procedures, first to assist employees and neighbouring communities, and then to prevent a complete collapse of operations, particularly those vital for the maintenance of critical infrastructure, such as communications, energy and transportation. These industries are in greater need of contingency plans and require substantial coordination with authorities and other industry bodies.

Recent studies<sup>viii</sup> demonstrate corporations without emergency operational procedures or methods for coping with the shock and grief of employees take a real operational risk. As reports<sup>ix</sup> illustrate, unprepared companies find it disproportionately more difficult to bounce back after a lowering of shareholder value, thus damaging future prospects and threatening jobs. However, only 30-40% of companies (and public authorities) have any kind of plan or system for crisis management<sup>x</sup>. Planning is expensive and time-consuming, and many corporations have yet to respond operationally to evidence showing that lack of planning can be more costly still. As the Oxford Metrica study, *Protecting Value in the face of Mass Fatality Events*, demonstrates, the actions of a corporation and its CEO in the first ten days following a mass fatality event, are critical – it can mean the difference between business failure and future success.

Many companies have had contingency plans in place to counter the threats of terrorist attacks or natural disasters for decades. The extractive industries, having worked in particularly unstable regions, such as parts of the former Soviet Union or South America, have built up significant expertise and insight into disaster management through years of experience.

Recent events, from 9/11 to Katrina, have underlined the need for an even greater array of industries to protect their supply chains. At an advanced level, emergency operating centres, a formal security strategy, flexible contracts and extensive contingency planning for both customers and suppliers are necessary.

However, corporations are often inter-dependent. Airlines rely on air traffic controllers and ground crews; the energy and transport sectors are co-dependent. Corporations cannot respond to disasters in a strictly internal way and must devise cross-sectoral responses. Public debate and media attention is likely to fuel a political debate in the medium term on whether or not authorities should oblige companies to develop contingency planning for disasters, especially those operating critical infrastructure or working in risk-prone industries or locations.

From the tourist industry to financial services, healthcare and retail operators to the construction sector, there is an ever-growing business as well as moral rationale for the development of contingency plans in the event of disasters and terrorist attacks.

- ***The corporate sector needs to re-think its approach to disaster preparedness and response; there is compelling evidence to suggest that preparation for a crisis can mean the difference between future success and business failure.***
- ***It is much easier for corporate executives to think about and plan for financial risks than it is to understand the importance of disasters and crises. Crisis planning can and should be reflected through many common business activities, such as corporate governance policies, corporate social responsibility reporting, and operating and financial reviews. Most companies have yet to realise the competitive advantage in planning for major crises.***
- ***Policymakers too should consider the role of corporations in responding to disasters. Ideally, they should provide mechanisms that encourage a more coordinated response between governments, corporations and NGOs. In the wake of a major disaster, there can be no time for issues of jurisdiction.***

## CONCLUSION

We are in a world where disasters taking place in one part of the world have a dramatic impact on governance and business practices around the globe. It is important for both governments and corporations to accept the fact that disasters and crises are inevitable and must be planned for. The most cost effective way to recover from disasters is to prepare and plan in advance for all reasonable eventualities.

Kenyon urges governments and corporations to re-think their approach to disaster management and relief – there is a compelling body of evidence showing that this is an important factor in the long-term success of any organisation. Kenyon supports the many excellent efforts on behalf of governments and corporations in Europe and around the globe to identify and respond to needs in these areas, and will be happy to provide any assistance or expertise that could be of use in this process.

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i General Affairs and External Relations Council Conclusions on Improving European Civil Protection Capabilities, 18 July 2005

ii In terms of funding, various instruments co-exist. For disasters happening inside the EU, funds can be provided through the Solidarity Fundii, from the EU Action Programme in Civil Protection, and through special budget allocations coming from existing instruments (for example, through Structural Funds). In practical terms, the main difference between these mechanisms is the speed of the allocation process. Funds from the Action programme in Civil Protection can be allocated quicker, yet the Solidarity Fund requires more time, as the special budget allocations may require political endorsement by Member States. At the same time, for disasters happening outside the EU, funds are provided through the Rapid Reaction mechanism, DIPECHO and other specific

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instruments dealing with specific issues (for example, the contribution of the European Community to the European Bank for Reconstruction and Development for the Chernobyl Shelter Fund). Again, the main practical difference comes in terms of speed. For both internal and external assistance, the allocated funds apply to both the immediate EU responses to disasters and also to the long-term relief effort. This explains the varying length of time for funds to be released.

iii Concerning technical and material resources, these are provided by the Civil Protection Mechanism created in 2001, regardless of whether the disaster occurs inside or outside the EU. Its key feature is the Monitoring and Information Centre (MIC) which provides a one stop shop for assistance. When a country launches an assistance request, the MIC checks for assistance potentially available (crisis management teams and supply of material and equipment) and can also mobilise within a few hours small expert teams to assess the situation, coordinate the operations and liaise with authorities and international organisations. Finally, it also collects information and disseminates regular updates. Finally, concerning terrorist attacks, the EU has already developed different Rapid Alert Systems<sup>iii</sup> and bodies for coordinating its response and preparedness of EU Member States – Eurojust (judicial authorities), Europol (police authorities), and the Health Security committee (political coordination). However, after the bombings in Madrid and London, a new impetus has been given to this area in order to enhance its effectiveness. In this respect, the Commission will look to propose actions at European level such as creating a directory of EU experts in different fields or publishing clinical guidelines (regarding say bio-terrorism).

iv The Mechanism, set up by the Council Decision of October 2001, pools the civil protection capabilities of the participating states, currently 30 countries (the EU-25, Bulgaria, Romania, Iceland, Liechtenstein, and Norway). The Mechanism can be called upon by a country struck by any type of disaster in order to provide immediate assistance.

v COM(2005) 137 - Communication on improving the Community civil protection mechanism

vi COM(2005) 153 - Communication on Reinforcing EU Disaster and Crisis Response in third countries

vii General Affairs and External Relations Council Conclusions on Improving European Civil Protection Capabilities, 18 July 2005

viii Why Some Companies Emerge Stronger and Better from a Crisis, Professor Mitroff, New York, 2005

ix Risks that Matter report by Oxford Metrica and Ernst & Young, 2002

x We're So Big and Powerful that nothing Can happen to Us, Mitroff, I and Pauchant T, New York, 1990