

# USING PUBLIC-PRIVATE PARTNERSHIPS TO ENHANCE EMERGENCY MANAGEMENT

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It seems that the magnitude of recent natural disasters has grown: e.g., the 2011 Japanese earthquake and tsunami; the 2010/2011 Brisbane floods; the 2010 Haiti earthquake; the 2004 Indian Ocean tsunami; and Hurricane Katrina in 2005. Whether the enormity of their intensity and destruction is a result of climate change or increased development is open to debate. There may even be more awareness given the wider electronic dissemination of information. Regardless of the cause or perception, the severity of recent catastrophes and the limits of what the public sector can do to mitigate and respond to a disaster has focused attention on greater private sector involvement.

Often when we think of public-private partnerships (P3) we envision large infrastructure projects with complicated project finance and legal agreements. When we consider disasters, natural or man-made, we think immediately of the human toll in lives and injuries. Both of these assumptions are correct and accurate. That said, there are non-infrastructure P3s that concentrate on service delivery. As for disasters, they also exact an economic toll that amplifies the human despair. This white paper will examine the use of public-private partnerships to enhance emergency management and will also discuss how to establish and sustain public-private partnerships and include examples from the United States and the international arena.

With respect to disaster prevention, preparedness, mitigation, response, and recovery, it is becoming increasingly apparent that governments alone cannot meet the continually growing demand for services and resources and that there is a need to look for support from other sectors of society. The government sector does not possess all of the various resources necessary for disaster response and recovery; these assets often reside in the private sector. Coordinating the movement of private assets and the private-sector personnel necessary to staff these assets is the proper role of government agencies.



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**John Buttarazzi** is a public-private partnership professional with more than 20 years of experience in infrastructure, real estate and economic development. He has managed more than \$2 billion in such projects, including the first commercial airport privatization in the United States and the redevelopment of the New York Metropolitan Transportation Authority-owned Coliseum into 2.2 million square feet that includes the Time-AOL headquarters. As an Institute for Public-Private Partnerships (IP3) instructor, Mr. Buttarazzi has led discussions on Value for Money, establishing a P3 unit, and P3 structures, among other topics.

Mr. Buttarazzi recently served as the Chief of Staff for a Member of the U.S. Congress and has held senior executive positions in the real estate industry. He also served as Senior Vice President of the Empire State Development Corporation, New York State's economic development arm, where he simultaneously managed the Privatization, Business Development, and International divisions.

Mr. Buttarazzi received his Bachelor of Science from Washington & Lee University and his Master of Science from the Columbia University Graduate School of Architecture, Planning and Preservation and is a former David Rockefeller Fellow. He has published a number of articles and has made presentations around the world on the subject of PPPs and has instructed foreign officials on setting up a public-private partnership framework.

The Co-Chairman of The International Association of Emergency Managers (IAEM) Public-Private Partnerships Committee defines public emergency management public-private partnerships as relationships that are built between public and private entities to enhance comprehensive hazard mitigation, preparedness, response, and recovery programs in the community.<sup>1</sup> It is based on the recognition that both the public and private sectors can benefit by pooling their financial resources, know-how and expertise to improve the delivery of basic goods and services to all citizens in an emergency or disaster.

## Establishment of Partnership Principles for Success

To promote a sustainable solution, the P3 must be structured to optimize value for money for the benefit of the public. The principles established at the outset underlie the content of the P3 and the way it will operate. Moreover, adherence to these principles will provide the P3 with a strong foundation. The acronym “PADRES” includes the elements that define a successful emergency management partnership, viz., Publicly Accessible, Dedicated, Resourced, Engaged, and Sustainable.<sup>2</sup>



- *Publicly accessible* implies that the contacts, leadership, skills, and capabilities of the collaborative partnership are recognized, available, and accessible by the general public. This ensures that before, during, and after an incident, the general public has trust and confidence in the partnership to provide meaningful service in support of protecting life and property.
- *Dedicated* full-time liaison and/or staff manage the public-private partnership, and implement the partnership’s strategic plan.
- *Resourced* partnerships have funding, facilities, tools, and staffing available to support P3 efforts.
- *Engaged* and active public and private sector leadership and members are a necessity for a successful partnership. The partnership trains, exercises, prepares, responds, recovers, and mitigates actively.
- *Sustainable* partnerships are supported by strategic plans, funds, and resources necessary for long-term viability. Activity takes place around the year, and throughout the emergency management cycle.

<sup>1</sup> S. Shane Stovall, “Public-Private Partnerships in the 21<sup>st</sup> Century,” International Association of Emergency Managers, June 1, 2009.

<sup>2</sup> “Building Better Resiliency – Together,” U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA).

## Examples of Emergency Management Public-Private Partnerships

The utilization of P3s for disaster preparation and response are becoming firmly established in the United States and increasingly in international arenas.

### INTERNATIONAL

In August 2010, the Asia-Pacific Economic Cooperation (APEC) Emergency Preparedness Working Group, in a meeting co-organized by Australia and Thailand, endorsed fourteen common principles for public private partnerships.<sup>3</sup> They highlight the need for a whole society approach to enhance an economy's disaster resilience and outline the general objective and scope of collaborative partnerships in the context of disaster resilience. The principles further stress the need to build capacity of small and medium-sized enterprises and companies, local nongovernmental organizations (NGOs) and local academic groups as they play a key role in building and sustaining local livelihoods in developing economies.

As an example, Philippine businesses established the Corporate Network for Disaster Response (CNDR) for the purpose of providing a formal coordinating mechanism for private sector response and relief contributions after major natural disasters. Since its establishment the program of the network has evolved to cover the whole range of disaster management work including disaster risk reduction and preparedness. CNDR now also engages its private sector members in building community resilience towards disasters and building capacity within the private sector for business response and resilience. CNDR is a non-stock, non-profit, NGO that consists of a voluntary alliance of private corporations, business associations and corporate foundations, operating in the Philippines, which engages in disaster prevention, mitigation and preparedness programs and mobilizes timely and appropriate responses to man-made and natural disasters.

The goals of CNDR are to mobilize the corporate sector to respond to natural and human made disasters and hazards, incorporate the pioneering efforts of its members in facilitating business sector participation in disaster management, and provide means for the business sector to collaborate with government, non-government organizations and international agencies for effective delivery of disaster management services.

### UNITED STATES

In the United States, the Federal Emergency Management Agency (FEMA) has been a catalyst in forming P3s at the local and state level. Among the most successful P3s is ChicagoFIRST, a non-profit association of private sector critical infrastructure firms in the Chicagoland area that collaborate with one another and with government at all levels on homeland security and emergency management issues to promote the resilience of its members and the Chicago business community. ChicagoFIRST has been identified as a national model - by local and federal officials - for regional, public-private partnerships.

ChicagoFIRST collaborates with the City of Chicago, the State of Illinois, the U.S. Treasury Department, the U.S. Department of Homeland Security, and other critical sectors on disaster preparedness and business continuity issues.

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<sup>3</sup> "Public-Private Partnerships and Disaster Resilience," Report from APEC Workshop on Public-Private Partnerships and Disaster Resilience, Bangkok, Thailand, August 24-29, 2010.

Private sector firms constitute the membership of ChicagoFIRST, and the organization is funded entirely by membership dues. ChicagoFIRST is led by a nine-member board of directors, and is staffed by two full-time employees. One of ChicagoFIRST's most critical achievements is the establishment and maintenance of relationships between the membership and government at all levels. ChicagoFIRST collaborates on a regular basis with the City of Chicago to enhance the regionalization of emergency preparedness and response, so that the collar counties, State of Illinois, and surrounding states coordinate better in the event of a crisis.

Before, during, and after an emergency event, ChicagoFIRST serves as a critical liaison between its members, public officials, and first responder agencies in order to inform and assist each member's own response and recovery operations.

ChicagoFIRST acts as a conduit of information for its members and coordinates with government at all levels to provide these firms a means to address industry issues and gather information for their own crisis response.

In addition to extensive interaction with the public sector at all levels, ChicagoFIRST liaisons with all members in various additional ways to identify issues or obstacles they are encountering (and seek assistance from the public sector or from other firms, as appropriate) or benchmark industry actions or response measures.

## Challenges in Forming and Sustaining Emergency Response P3s

### IDENTIFYING POTENTIAL STAKEHOLDERS

Identifying a list of potential private sector (and voluntary) partners that could participate in emergency and disaster prevention, mitigation, preparedness, response, and recovery can be a daunting task.<sup>4</sup> Areas of private sector expertise and asset that emergency management P3s may include utilities (infrastructure, damage assessment); transportation firms (evacuation, supply chain); engineers (infrastructure, damage assessment); communications (equipment, damage assessment, staff augmentation for communications staff within jurisdiction); debris removal; temporary housing; construction companies (equipment, materials, supplies, personnel for repairs); food and water suppliers; hardware retailers; health care facilities (hospitals, senior living, clinics); temporary staff services; private security companies; and warehouse space/temporary storage (mass storage).

### DEVELOPING THE WIN-WIN PARTNERSHIP



Another challenge that emergency managers face when developing a P3 is demonstrating a win-win scenario to the potential partner. The emergency manager must educate the potential private participant on the ad-

<sup>4</sup> Ibid., Stovall.

vantages of the partnership. It is also important to stress how the partnership will benefit the community as a whole as well as their own private interests.<sup>5</sup>

Disasters begin and end at the local level. Private sector businesses and NGOs, e.g., Red Cross and Red Crescent, Chambers of Commerce, etc., that exist at the local level play a key role in providing goods, services and technical expertise that complement effective preparedness, response, recovery and mitigation operations in an emergency or disaster. They do so by engaging in information sharing, emergency planning, emergency communications, and resource sharing.

A well-structured public-private partnership is a collaborative relationship between public and private-sector organizations, built upon the needs and resources of each participant for a mutually beneficial relationship for all of its members. The partnership provides the opportunity for communication and support between government emergency planning personnel and individuals representing the private-sector. Most importantly, it builds disaster resilience, accelerates recovery, and facilitates the return to normal.

### **About the Public-Private Partnership White Paper Series**

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<sup>5</sup> Ibid., Stovall.