

# Asian Business Forum 2016

## Risk Reduction and Resilience Building

**20-21 April 2016**

Venue: **Dusit Thani Hotel**, Bangkok, Thailand

### **Introduction**

The private sector's profitability and growth is increasingly affected by both moderate hazards and major catastrophes such as floods, storms, earthquakes, volcanic eruptions, droughts and tsunamis. The 2011 Great East Japan Earthquake and Tsunami, followed by the unprecedented flooding in Thailand in the same year, were both wakeup calls for the private sector at the global and regional levels, due to their impacts on global supply chains and the number of smaller businesses that ceased operation. The impact of disasters caused by such natural hazards is also likely to increase in Asia as climate change brings more extreme weather events and causes sea levels to rise.

Business resilience and adaptation to disaster and climate change risk is now recognized as a key element of economic resilience, especially for micro, small and medium enterprises. The 3<sup>rd</sup> United Nations World Conference on Disaster Risk Reduction, in March 2015, reiterated the private sector's role in reducing disaster risk. Its outcome document, The Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030, highlighted the need for the business sector to integrate disaster risk management, including business continuity, into business models and practices through disaster-risk-informed investments. The Bangkok Declaration of the 6<sup>th</sup> Asian Ministerial Conferences on Disaster Risk Reduction encourages "risk-informed investment as part of business process" to achieve business sustainability and resilience. Since 2011, the Asia-Pacific Economic Cooperation (APEC) summit has repeatedly called for private sector resilience and enhanced capacities of businesses, particularly SMEs in preparing for disasters. The 21<sup>st</sup> APEC SME Ministerial Meeting in China in 2014 also emphasized the importance of disaster resilience of SMEs and their recommendations include capacity building and establishment of business continuity plans (BCPs) for all industries.

The private sector has rarely been addressed by governments or private sector organizations as a target group for disaster resilience. Yet the private sector plays a key role in national economic wellbeing and is also pivotal for post-disaster economic recovery in guaranteeing income and employment. While all private sector entities are affected, small and medium-sized enterprises (SMEs) are particularly vulnerable to disasters due to a lack of investment by them in disaster risk management. SMEs have limited financial resources, and limited access to advisory and support services or risk finance. However, SMEs account for more than 97% of all enterprises in the region (APEC, 2015), and thus play a key role in economic prosperity.

In part, the lack of focus on SME disaster resilience can be attributed to gaps in the policy frameworks and institutional mechanisms. Business continuity needs of SMEs are not well integrated into national disaster risk management systems, while the policy frameworks set up to develop and promote SMEs tend to treat natural hazards as somehow outside the important business risks they need to address. There is still a lack of awareness amongst SMEs of the potential financial impacts of disasters and of the many ways they can mitigate these impacts through risk assessments, preparedness and contingency planning, as well as emergency response and recovery. Larger enterprises are more aware of these very real risks and more likely to include them in business continuity management. They are thus in a position to provide support

and capacity building to SMEs, especially those that are part of their supply chains. The business community as a whole, needs to participate more in disaster risk reduction efforts, and to put in place measures to secure business continuity during emergencies to safeguard the livelihoods of people and to reduce negative socio-economic impacts.

The Asian business forum is important at this point to continue the momentum towards disaster resilience within the private sector, and to identify current opportunities and challenges in enhancing disaster and climate resilience. This will also contribute to the regional economic integration under the ASEAN Economic Community (AEC) initiative.

## Forum Objectives

The forum is aimed at reflecting on and stocktaking a range of efforts and initiatives on disaster-resilience building in the private sector, and by governments, to learn from the challenges and good practices experienced in the region. It will draw on recent SME survey results and policy reviews in Indonesia, the Philippines, Thailand and Vietnam, as well as the experience of the forum participants from government, SMEs and large enterprises in addressing private sector disaster resilience. This will help the private sector, including SMEs, as well as governments and development partners, to translate the global and regional commitments into practical ways to strengthen business resilience and ultimately build safe and resilient communities. The specific objectives of the forum are to:

- Highlight the *importance of business disaster resilience for inclusive and sustainable regional economic development and resilient communities*;
- Reaffirm government and private sector commitment to *strengthening disaster resilience of businesses, particularly SMEs*;
- Exchange knowledge, experiences and best practices on *private sector engagement in disaster risk reduction*; and
- Increase collaboration between the private sector, government and development partners to *enhance the capacities of the private sector in building business resilience to disasters*.

## Key Sessions and Activities

### A. Keynote and Featured Addresses

#### ***Opening Speech: "Why the Private Sector is Essential to National and Regional Disaster and Climate Resilience" - H.E. Anupong Paojinda, Minister, Ministry of Interior***

The private sector has increasingly borne the brunt of disasters. The 2011 floods in Thailand had a major impact on businesses in particular SMEs, affecting approximately 575,000 SMEs and putting more than 2 million people out of work. It opened up a window of opportunity for the governments and businesses to recognize the importance of the private sector role in reducing disaster risk in the country as well as region. The private sector not only generates income and employment, but also plays a vital role in building safer and resilient communities through their risk-sensitive investments. Under the leadership of the Government of Thailand, significant efforts have been made to build the resilience of the private sector, particularly SMEs. With a view to national and regional prosperity and stability, partnerships among various actors including SMEs coupled with government policies and strategies conducive for disaster resilience and business competitiveness are crucial for building overall resilience to disaster and climate risks.

**B. Keynote Address: "Scientific Innovations and Private Sector for Disaster and Climate Resilience" - H.E Dr.. Pichet Durongkaveroj, Minister of Thai Ministry of Science and Technology**

In the area of technology, the development and modernization has been extended throughout ASEAN region and in particular in Thailand. Businesses in large, medium and small sizes have developed information technology systems that are supporting one another and build strong networks. Thailand determines to wisely utilize raw materials and natural resources within the country to develop value-added industries. It is also a very important time for ASEAN as Thailand determines to support the regional growth and advancement through numerous areas of strengths which we possess. Thailand determines to be the centre of logistics, production, and transportation of Asia. We ensure the sustainable growth by attaching great importance to the development of the knowledge based economy with an emphasis on science and technology knowledge, innovation, creativity, and the development of administrative and management systems.

This forum serves as an important occasion for senior-level executives in business and public sectors, academics, and highly successful alumni of Wharton Business School of the United States to establish executives networking groups. Through the collaboration and partnership initiated from this event, we can together bring to the world a brighter future that is peaceful and sustainable.

**C. Keynote Address: "Business Resilience and Implication for ASEAN Economic Community" - Mr. Isara Vongkusolkit, Chairman of Board of Trade, Thailand**

With the launch of the AEC in late 2015, ASEAN member states made a significant step for regional economic integration. Guided by various regional instruments, the private sector now embraces greater opportunities to explore trade and investment benefits. SMEs account for more than 96% of all enterprises and generate up to 85% of the total domestic employment across the 10 ASEAN economies. Thus, the competitiveness and sustainability of SMEs in this emerging regional economic architecture is key in stability, however it depends on their capacity in managing the risk arising from increasingly intensified disasters and uncertainty. Together with various partners, Business community in Thailand has implemented several initiatives to promote integration of disaster risk management into business practices. Strengthening SME resilience to disasters is a necessary condition in preparing SMEs for the fierce competition in the regional market, and hence, should be one of the highest interests among policymakers, governments and entrepreneurs.

#### **D. Thematic Discussion: Enabling Environment for Strengthening Disaster Resilience of SMEs**

Recognizing the importance of regional economic resilience, in late 2014 the ADPC launched a regional project on “Strengthening Disaster Resilience of Small and Medium Enterprises in Asia” under its iPrepare Business Facility, with support from the ADB’s Integrated Disaster Risk Management Fund, financed by the Government of Canada, and the German Ministry for Economic Development and Cooperation (BMZ) through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH within the framework of the Global Initiative on Disaster Risk Management (GIDRM). The overall objective of the project is to build disaster-resilient businesses in Indonesia, the Philippines, Thailand and Vietnam.

The session will revisit policies, legislations, incentive mechanisms and other support programs that promote the resilience of SMEs. This session will focus on the SME survey results and policy reviews recently undertaken in Indonesia, the Philippines, Thailand and Vietnam in addressing SME resilience. The findings and suggestions from the review will be fed into the formulation of a roadmap for strengthening SME disaster resilience in the country.

#### **E. Global Perspectives: Business Case of Disaster and Climate Resilience**

The need for private sector investment in and consideration of disaster risk is emphasized in the United Nations Office for Disaster Risk Reduction (UNISDR) 2013 Global Assessment Report (GAR) on Disaster Risk Reduction: From Shared Risk to Shared Value, the Business Case for Disaster Risk Reduction. The 3rd UN World Conference on Disaster Risk Reduction in Sendai, Japan in 2015 resulted in adoption of the Sendai Framework for Disaster Risk Reduction (SFDRR) 2015-2030 and identified priorities for resilience of societies and economies to withstand disaster shocks and other more gradual stresses. But while much attention is likely to focus on targets, international finance, and national action, we need to keep sight of the key challenge: how can we incentivize investment in managing disaster risk?

Private sector engagement and innovation in disaster risk management is good for business, government and citizens alike. Making risk-informed decisions and investments helps to limit private sector disaster losses, improves business continuity, reduces uncertainty, and provides new business opportunities. Disaster risk management by the private sector, and public-private partnerships, also has wider socio-economic benefits such as reduced uncertainty in economic forecasts and growth projections, and reduced risks to life and personal property.

This session would focus on global and regional experiences on institutional and legal frameworks, incentive, awareness generation and capacity building of private sector, especially SMEs. The collaboration between the private sector and government agencies to enhance preparedness, protection, response, recovery and the mitigation of all hazards would be highlighted. The experiences of private sector engagement from Christchurch Earthquake recovery, and other large and small-scale disasters will be discussed with respect to private sector’s resilience of such events. In a recent survey under the regional project on SME resilience, tailored risk financing for SMEs is one of the top needs that has emerged. The panel will discuss business models of risk financing that might work for SMEs, especially.



Cross, can play a key role in preparing small and medium sized businesses—those who may not have the funds nor the capacity to pursue professional services.

## **2: Building Tools and Capacities for Business Resilience**

Lessons learned from major disasters e.g. the 2011 Great East Japan Earthquake & Tsunami and the 2011 Great Floods in Thailand urged us to understand the importance of effective supply chain management in this interconnected world, and to put in place the mechanism to protect supply chains. Various tools such as area-wide business continuity management (BCM) by the Japan International Cooperation Agency (JICA) has enhanced the capacities of industrial parks to cope with disasters as cluster.

Evolving from BCM system of individual business organization, that is standardized as ISO 22301, this new framework is grounded on cooperation among key stakeholders. On the other hand, good practices at country level on strengthening community and business resilience are observed where corporate network building and corporate mobilization has helped in implementation of innovative programs.

This session will share various business continuity management (BCM) concepts, strategies and tools practiced in the region and elsewhere.

## **3: Tailoring Risk financing for SMEs**

Insurance and other ex ante risk financing mechanisms form a critical part of a comprehensive disaster risk management strategy, and have the potential to play an important role in DRR and climate change adaptation (CCA). Financial products are not perfect solution on their own, however, must be tied to efforts and incentives for investment in risk reduction. A number of important initiatives have been undertaken in recent years for the protection of public and private assets and catastrophe insurance pools for homeowners and businesses. While micro insurance holds much potential, concerted research and more experience are needed to develop a sustainable model in order to reach SMEs and ensure equitable and efficient ways to manage and reduce risk.

This session will explore topics of insurance (e.g. Crop insurance, Index-based insurance, Livelihood Insurance), loans and funds for CCA and disaster preparedness and recovery, and banking Sector Investment in climate related industries

## **4: Tourism Sector Resilience**

Tourism has contributed significantly to the development in many countries and plays an essential role in local, national and global economies. In the region, tourism is one of the fastest growing but also most severely exposed sectors due to the location of many destinations in hazard prone areas such as on cliff tops, and along rivers and coastlines and is increasingly exposed to climate-related disaster risk. With the growing importance of tourism worldwide, any disruption to arrivals can seriously undermine business competitiveness and sustainable development. Disasters have the potential to cause widespread damage and economic disruption, affecting private and public investments in tourism destinations, and the country's image and reputation, while posing a threat to the lives of tourist, service providers and surrounding communities.

To improve climate and disaster risk management and to strengthen resilience particularly in hotels and resorts and throughout destinations, the GIZ GmbH within the framework of the GIDRM is collaborating with the UNISDR Asia and Pacific and the Pacific Asia Travel Association (PATA). Building on strong partnerships with the respective governmental agencies for tourism

and disaster risk management, tourism and hotel associations, hotels and resorts, the Hotel Resilient Initiative in close cooperation with the Karlsruhe Institute of Technology (KIT) and its partners (Bournemouth University, University of Queensland, Griffith University, Risklayer and TwoEco) is developing a multi-hazard risk management standard module to create standardized approaches and market value in the tourism sector.

In this session the Hotel Resilient Initiative and the Multi-hazard risk management standard module will be introduced. In the following panel discussion, various other initiatives from the region will share their experiences, best practices and tools to strengthen resilience in the tourism sector. The participants will discuss tailored solutions adapted to the demands, capacities and resources of tourism enterprises aiming towards long-term competitiveness and sustainable growth.

#### **H. Taking Away: Roadmap for Strengthening Business and Disaster Resilience**

The final session will recap policy discussions and technical sessions taken place in the last 2 days, and try to draw up suggestions for priority actions for strengthening business and disaster resilience in Asia. The session will seek to reaffirm the commitment by all stakeholders in strengthening disaster resilience of businesses, particularly SMEs. At the same time, the session will clarify key areas/focus that will be incorporated into the roadmap process in the four countries. This session will also allow the participants to share final thoughts and ideas before the forum concludes.

## Tentative Agenda

### DAY 1 (Wednesday), 20 April 2016

8.30-9.30

Registration with Tea/Coffee at Napali Ballroom, Dusit Thani Hotel

<b>Inaugural Session</b>	
09.30-09:40	<b>Remarks by Prof. Dr. Krasae Chanawongse</b> , Chairman, ADPC Foundation
09:40-10:10	<b>Remarks by</b> <b>H.E. Mr. Philip Calvert</b> , Canadian Ambassador (TBC) <b>H.E. Mr. Peter Prügel</b> , German Ambassador Extraordinary and Plenipotentiary in Thailand
10:10-10:25	<b>Remarks by Mr. Yasushi Negishi</b> , Country Director, Thailand Resident Mission, Asian Development Bank
10.25-10.50 Opening Speech	"Why the Private Sector is Essential to National and Regional Disaster and Climate Resilience?" by <b>His Excellency General Anupong Paojinda, Minister of Thai Ministry of Interior</b>
10:50 -11:10	Group Photo with Tea/Coffee Break
11.10-11.35 Key Note Address	"Scientific Innovations by Private Sector for Disaster and Climate Resilience" by <b>His Excellency Dr. Pichet Durongkaveroj, Minister of Thai Ministry of Science and Technology</b>
11.35-12.00 Key Note Address	"Business Resilience and Implication for ASEAN Economic Community" by <b>Mr. Isara Vongkusolkit, Chairman of Board of Trade, Thailand</b>
12:00-12:15	Vote of Thanks by <b>Dr. Jingjai Hanchanlash</b> , Executive Director, ADPC
12.15-13.30	Networking Lunch
<b>Thematic Discussion: Enabling Environment for Strengthening Disaster Resilience of SMEs</b>	
13.30-15.00	Chair's Note: Policy Environment for Disaster-Resilience of Private Sector by <b>Under Secretary Ms. Zenaida Maglaya, DTI, Philippines</b>  Moderator: Dr. Mary Picard  <b>Project Overview:</b> Strengthening Disaster Resilience of Small and Medium Enterprises in Asia  <b>Country Findings:</b> Understanding the Needs of SME and Developing roadmaps of priority actions for strengthening SME resilience  Presenters: <ul style="list-style-type: none"> <li>• <b>Indonesia:</b> Dr. Eugenia Mardanugraha</li> <li>• <b>Philippines:</b> Ms. Elvira P. Tan</li> <li>• <b>Thailand:</b> Dr. Apassanun Silapapiphat</li> <li>• <b>Vietnam:</b> Ms. Nguyen My Anh</li> </ul>
15.00-15.30	Tea/Coffee Break



<b>Global Perspectives: Business Case of Disaster and Climate Resilience</b>	
15:30 -16:30	Moderator: Ms. Amelie Yan-Gouiffes Panelist: <ol style="list-style-type: none"> <li>1. <b>Ambassador Philip Gibson</b>, Special Envoy (DRM), New Zealand Ministry of Foreign Affairs and Trade (New Zealand)</li> <li>2. <b>Mr. Martin Hoppe</b>, Head of Division 302; Peace and Security, Disaster Risk Management, Federal Ministry for Economic Cooperation and Development (Germany)</li> <li>3. <b>Mr. Tim Manning</b>, Deputy Administrator FEMA, Department of Homeland Security (USA)</li> </ol>
<b>Road to Resilience : Private Sector Experiences of Disaster Resilience</b>	
16:30-17.30	Moderator: Ms. Amelie Yan-Gouiffes Panelist: <ol style="list-style-type: none"> <li>1. <b>Dr. Ammarin Daranpob</b>, Loxley Public Company Limited</li> <li>2. <b>Mr. Anh Tuan Dau</b>, Vietnam Chamber of Commerce and Industry</li> <li>3. <b>Mr. Chanyut Chamratporn</b>, Isuzu Motor Co., (Thailand) Ltd</li> <li>4. <b>Mr. Thisan Dhienhirun</b>, PTT Exploration and Production Public Company Limited, Thailand</li> </ol>
17.30-19.00	<b>Welcoming Dinner – By Invitation Only</b>

## DAY 2 (Thursday), 21 April 2016

08:30 – 09:00: <b>Taking Stand: Towards a Resilient Business Community</b> Ms. Amelie Yan-Gouiffes Aslam Perwaiz	
<b>Technical Session 1: Business Continuity and Community Resilience</b>	
9.00-10.30	Chair: GPC Presenter: <ol style="list-style-type: none"> <li>1. <b>UPS Foundation</b></li> <li>2. <b>New Zealand Red Cross</b></li> <li>3. <b>International Labour Organization (ILO)</b></li> <li>4. <b>International Federation of Red Cross and Red Crescent Societies (IFRC)</b></li> </ol>
10.30-11.00	Tea/Coffee
<b>Technical Session 2: Building Tools and Capacities for Business Resilience</b>	
11.00-12.00	Chair: ADPC Presenters: <b>Dr. Hitoshi Baba</b> , JICA, Japan - Area Business Continuity Management (Area BCM) <b>Ms. Maria Flores</b> , CNDR, Philippine: Corporate Network Building – The case of Mactan, Philippine on DRR and Business Continuity <b>Mr. Nanang Subana Dirja</b> , Oxfam, Indonesia – Partnership for Micro Enterprise Resilience <b>Dr. Goh Moh Heng</b> , President, BCM Institute, Singapore
12.00-13.00	Networking Lunch

<b>Technical Session 3: Tailoring Risk Financing for SMEs</b>	
13:00- 14:00	<p><b>Chair:</b> ADB</p> <ul style="list-style-type: none"> <li>• <b>Mrs. Jongrak Politanont</b>, Executive Vice President, SME Bank, Thailand</li> <li>• <b>Mr. Generoso Soriano David</b>, Department Manager, LBP Program Management Department 2, Land Bank, Philippines</li> <li>• <b>Ms. Nina Kurnia Dewi</b>, Head of Division, Jamkrindo Kredit Indonesia</li> <li>• <b>Ms. Thi Thu Thuy Hoang, Project Manager</b>, SME Development Fund, Viet Nam</li> <li>• <b>Dr. Antonis Malagardis</b>, Program Director, GIZ-RFPI Asia.</li> </ul>
<b>Technical Session 4: Tourism Sector Resilience</b>	
14.00-15.00	<p><b>Chair:</b> GIZ</p> <p>Moderator: <b>Mr. Andrew McElroy</b>, Programme Officer, UNISDR</p> <p>Presentation: The Hotel Resilient Multi-hazard risk management standard module by <b>Ms. Hanna Maier</b>, Junior Adviser, GIDRM/GIZ and <b>Mr. Bijan Khazai</b>, Senior Research Scientist, Karlsruhe Institute of Technology</p> <p>Panelists:</p> <ul style="list-style-type: none"> <li>• <b>Mr. Mario Hardy</b>, CEO PATA</li> <li>• <b>Ms. Jayne MacDougall</b>, Risk Management Consultant, Le Meridien</li> <li>• <b>Ms. Akiko Otani</b>, Managing Director, R3ADY Asia-Pacific</li> <li>• <b>Mr. Masato Takamatsu</b>, Managing Director, JTB Tourism Research &amp; Consulting Co.</li> <li>• <b>Ms. Rica Bueno</b>, Director Office of Tourism Standards and Regulations, Department of Tourism Philippines</li> </ul>
15.00-15.30	Afternoon Break
<b>Taking Away: Roadmap for Strengthening Business and Disaster Resilience</b>	
15.30-16.30	<p>Moderator: Ms. Amelie Yan-Gouiffes</p> <ul style="list-style-type: none"> <li>• <b>Dr. Mary Picard</b></li> <li>• <b>Mr. Aslam Perwaiz</b></li> </ul>
16.30-17.30	<p><b>Way Forward</b></p> <p>Address by <b>Mr. Olaf Handloegten</b>, Head of Management Unit, GIDRM</p>