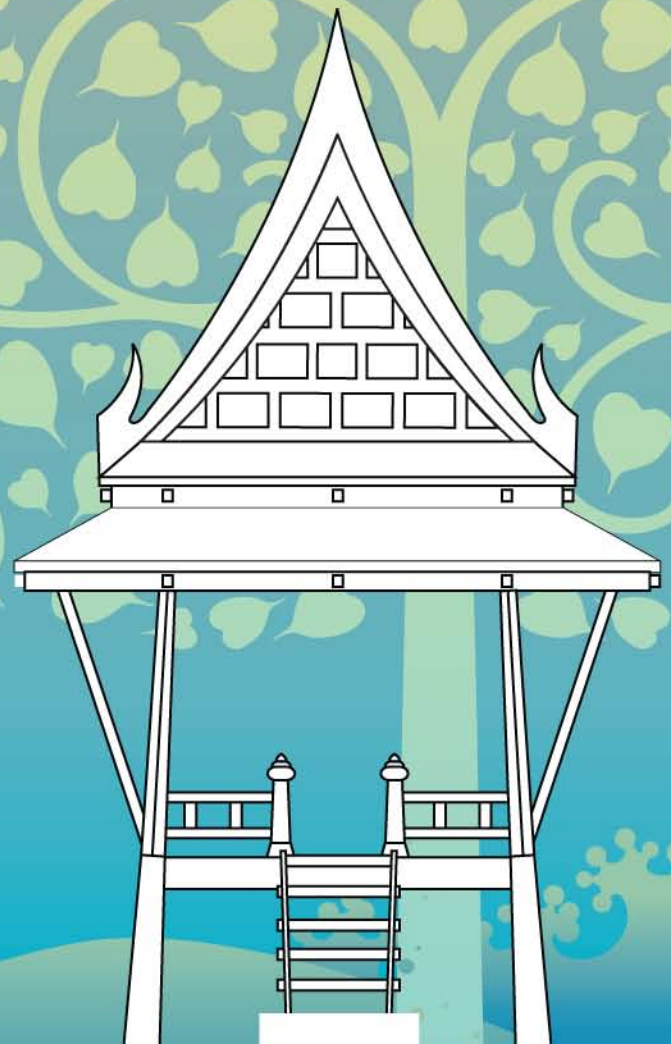


Towards a resilient business community in THAILAND

Small and Medium Enterprises (SMEs) and
Disaster Risk Reduction (DRR)

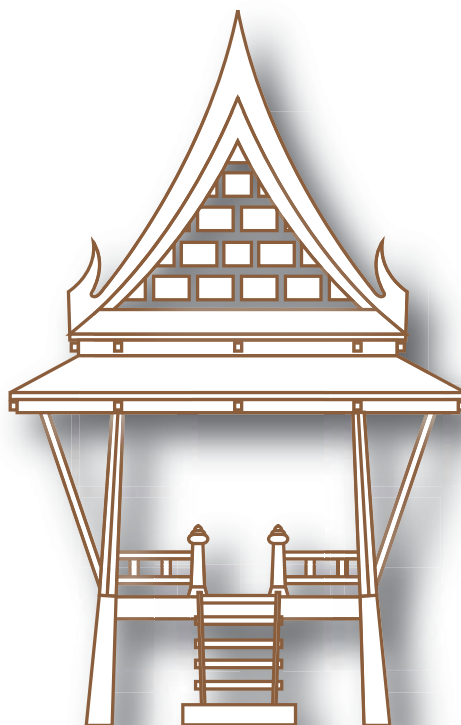


SMEs

Towards a
resilient business
community
in
THAILAND

:

small and medium enterprises
and disaster risk reduction



OCTOBER 8-9 2014

at the Sukosol Bangkok



Department of Disaster Prevention and Mitigation



Office of Small and Medium Enterprises Promotion



Asian Disaster Preparedness Center



JTI Foundation

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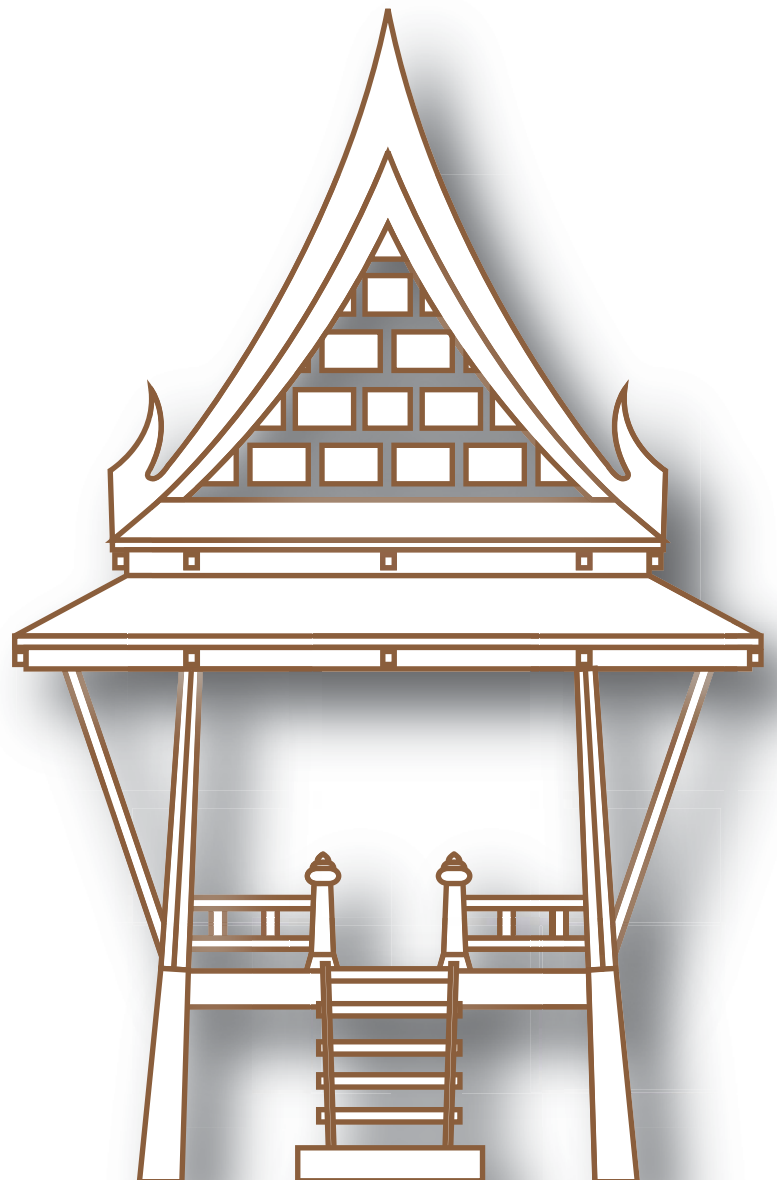
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Towards a resilient business community in THAILAND

small and medium enterprises and disaster risk reduction



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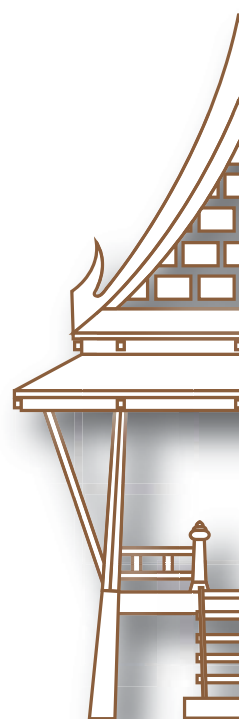
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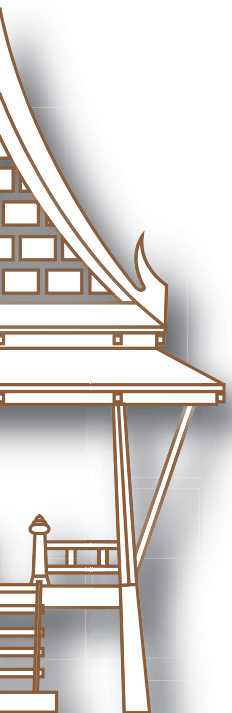
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Background Information

Natural disasters are occurring more frequently and continue to be unpredictable. Damages and losses caused by disasters are an obstacle to economic growth and sustainable development since private companies, both large and small, are severely disrupted by such extreme event, and often pushed out of business.

The relationships amongst the private sector in post-Thailand 2011 Floods are indicative of good cooperation to build a conducive environment for resilient investment. The Office of Promotion of SMEs (OSMEP) of the Royal Government of Thailand has been working with Asian Disaster Preparedness Center (ADPC) in engaging the private sector in general and SMEs in Thailand in particular, to embed disaster risk reduction into their core business activities through effective legislation, incentives, awareness raising and capacity building. The progress made so far is a baby step; yet very formidable. The in-depth study carried out by ADPC on the existing risk reduction practices in Thailand by SMEs clearly indicate that global best practices from Japan, Korea, Singapore, Australia and New Zealand, are going to help Thailand to launch the "*Thailand for Resilient Investment*" campaign.



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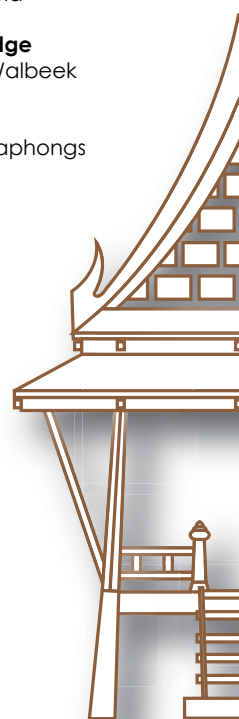
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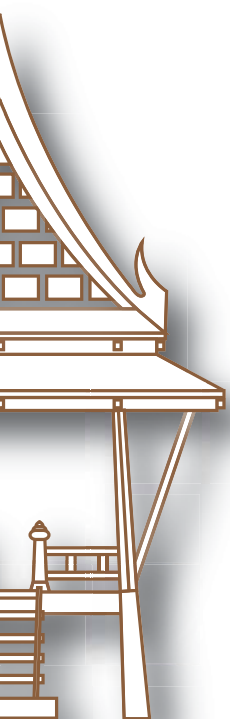
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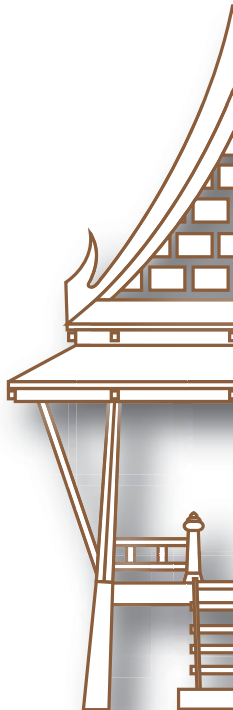
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The national consultation

**“Towards a Resilient Business Community
in Thailand : Small and Medium Enterprises
(SMEs) and Disaster Risk Reduction (DRR) “**

on 8-9 October 2014

provided opportunity to;





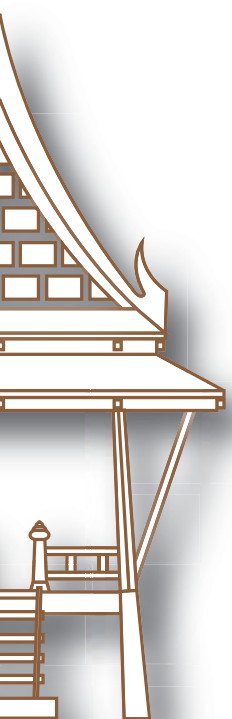
Learn from Thailand private sector disaster resilience initiative.



Draw lessons from global best practices on legislation, incentives, awareness raising, and capacity building for SMEs resilience



Explore recommendations on future engagement and enabling environment for business continuity and risk-informed investment for the private sector



Mr. Shane Wright, Executive Director, ADPC

Today's event, "Towards a resilient business community in Thailand: small and medium enterprises and disaster risk reduction", presents us with a good opportunity to approach disaster resilience from a new point of view: the perspective of small businesses, which are the engine of the economy in terms of employment, income generation and social cohesion.

ADPC started to work in building the resilience of the private sector after the devastating floods in Thailand in 2011, when over half a million SMEs were affected. Many of them could not restart operations until several months after, or even went out of business. This situation translated into a loss of employment and income for many families.

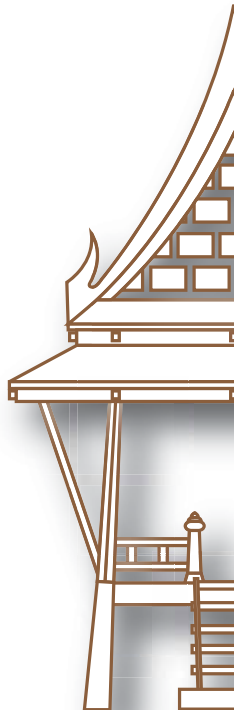
Recovery efforts are also long and painful. If a company loses 10 percent of its capital in a disaster, it will need to make a profit of 11 percent just to recover its pre-disaster capital level. However, if it loses 50 percent, it will need to make a profit of 100 percent. Therefore, minimizing the impact of a disaster by ensuring business continuity is a key success factor for any enterprise that is exposed to hazard.

In this context, ADPC is advocating for enhancing business resilience through preparedness by improving the capacity of SMEs in business continuity management, raising their awareness and providing them with platforms for discussion and experience sharing with their fellow businesses, as well as with the public and not-for-profit sectors.

I would like to take this opportunity to thank our sponsor, the JTI Foundation, for their continuous support to ADPC projects, as well as our close partners from the Royal Thai Government, the Office of SME Promotion and the Department of Disaster Prevention and Mitigation. Their collaboration and support to enhance SME resilience in Thailand has been and will be fundamental to turn this challenge into a successful endeavor.

I would like to encourage your active participation and engagement in the different sessions; for dialogue and experience sharing are a good way to move forward faster, steadier, and together.

Let us work today in order to build a more resilient tomorrow.





THE
SUKOSOL
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Inaugural Remarks

Mr. Pornpoth Penpas,

Deputy Director-General,

Department of Disaster Prevention and Mitigation (DDPM)



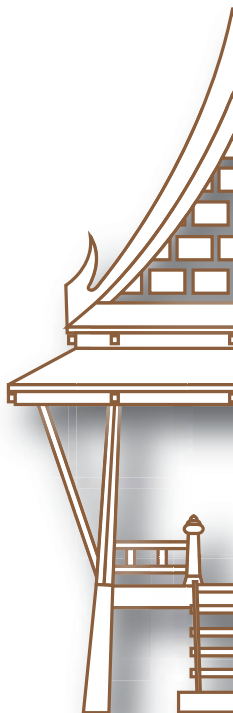
The great floods in 2011 posed many challenges to Thailand's disaster management system and the country's economy. Therefore, related government agencies have attempted to integrate disaster management into their sustainable development plans and policies. Moreover, the government has improved the measures in managing disasters in order to reduce social, economic and environmental impacts caused by disasters.



DDPM as the nation's focal point to carry out disaster management has revised the National Disaster Management Plan. While improving the national plan on disaster management, the agency has also considered incorporating Business Continuity Plan or BCP. In Thailand, it was indicated by the Office of Public Sector Development Commission (OPDC) that all government agencies must implement BCP and establish the team to oversee and protect critical business activities in the midst of a disaster.



As the host of the 6th Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR) that was held in Bangkok last June, DDPM has witnessed an importance of multi-stakeholder collaboration on disaster management. Especially, the role of the private sector was strongly emphasized in the sub-theme of this conference. **DDPM would continue cooperating with ADPC to ensure the engagement of the private sector in disaster risk reduction and building a sustainable and resilient community in Thailand.**






THE
SUKOSOL
BANGKOK

Dr. Wimonkan Kosumas, Acting Director-General, Office of Small and Medium Enterprises Promotion (OSMEP)



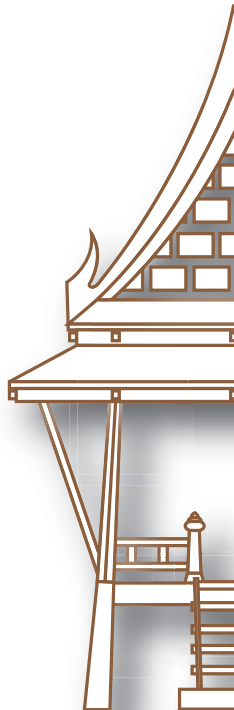
Disaster risk management is among the top priorities of the Office of Small and Medium Enterprises or known in brief as OSMEP. This issue is a key component in the SMEs Promotion Master Plan under the strategy of Developing the Enabling Factors and Conducive Business Environment.



With the purpose of enhancing SMEs' strength, resilience and competitiveness, OSMEP's work covers the promotion of disaster preparedness, response and relief. Various support and promotion have been set up to enable the disaster-affected SME entrepreneurs to quickly return to full functions as well as ensuring employment for affected workforce such as establishing the Call Center "1301" to respond to telephone requests for assistance; forming the SME Clinic to provide rehabilitative solutions; initiating the project to build immunity against natural disasters and providing the financial support through the Interest Subsidy Scheme, among others.



In terms of managing and reducing disaster risks, OSMEP has been working with DDPM and ADPC to organize awareness raising forums and workshops on business continuity planning (BCP). In 2015, **OSMEP will establish the One Stop Service Center in five provinces across Thailand, and will further cooperate with ADPC for technical assistance, knowledge dissemination and capacity building on disaster risk management.**






THE
SUKOSOL
BANGKOK

Prof. Dr. Krasae Chanawongse, Chairman, ADPC



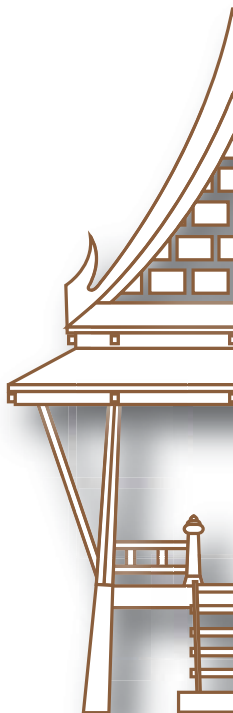
ADPC, with support from the JTI Foundation, started a project a year ago to support the SMEs of Thailand in improving their preparedness to natural disasters. The project targeted SMEs from Ayutthaya province, one of the most affected by the floods in 2011. In close collaboration with our partners from the Royal Thai Government – OSMEP and DDPM- ADPC successfully organized a national consultation, delivered trainings on business continuity planning to government officials and Thai SMEs, and even made possible the certification of some of the participants in the international standard for business continuity.



This event is the conclusion of 12 months of a lot of hard work and much learning. However, it also represents the beginning of a new era of multi-sector partnership, since all of us, together, are rewriting the definition of the word resilience. The main objective of this event is to learn from Thailand's private sector resilience initiative, and pave the way for what is yet to come in terms of private sector engagement in disaster risk reduction.



Small businesses are determinant to economic growth and prosperity. They can have either a negative or positive contribution, depending on the risk sensitivity of their investments and their preparedness when a disaster strikes. Hence, our support to SMEs must be resolute. **ADPC's commitment to enhance the resilience of small businesses is firm and honest. After all, our society will never be resilient without resilient and sustainable livelihoods.**





THE
S U K O S O I

Keynote address:

The Road to Resilience: Engaging the Private Sector in Disaster Risk Reduction

Keynote Speakers:



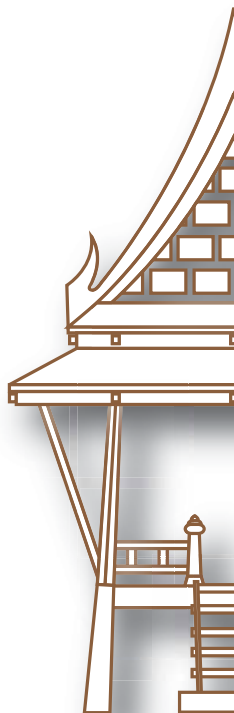
H.E. Mr. Reuben Levermore,
Ambassador of New Zealand to
Thailand



Dr. Peer Gebauer,
Deputy Head of Mission and Head of
the Economic
and Commercial Department,
German Embassy



Mr. Cherdkiat Atthakor,
Deputy Director-General,
Department of International
Organizations,
Ministry of Foreign Affairs Thailand



Highlights from the Keynote Address

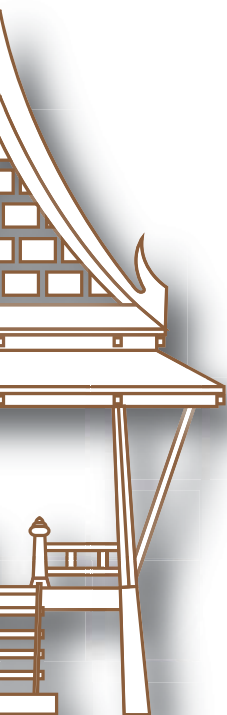
There is no doubt that the future investment by global companies in Thailand will be influenced by the resilience of Thailand SMEs. However, more needs to be done to put in place appropriate legislation, a conducive environment, win-win incentives, and public and private awareness and capacities for enhancing skills in business continuity planning. The HFA-2 discussions have so far generated a lot of interest and curiosity among the business community, to be part of the global framework and channelize risk reduction interventions.

The keynote address by an eminent personality outlined the need for private sector engagement in disaster risk reduction, and the corporate, social, economic, political and legal frameworks by which SMEs can achieve disaster resilience.

Christchurch encountered two significant earthquakes in 2010 and 2011. SMEs that accounted for 97.2 percent of total businesses in the city were greatly affected by the earthquakes and some of them needed to shut down their business operations. Small and medium businesses are crucial to the economic recovery and community resilience. Following the earthquakes, the New Zealand government launched the programs to support affected SMEs such as the Earthquake Support Subsidy and Recover Canterbury. Lessons-learned from working with SMEs in the response and recovery phase of disaster management include ensuring that the existence of insurance, cloud storage of key documents and business continuity planning.

German businesses, particularly SMEs, have been particularly affected by flooding in recent years. Evidence shows that those that have invested in their resilience did manage very well even though the intensity of the flood in 2013 was higher than the one in 2002. The German government introduced guidelines and action plans to improve flood prevention in the country as well as launching the Global Initiative on Disaster Risk Management in order to respond more effectively and systematically to disasters and identify the role of the private sector as a potential pioneer for innovative solutions. To reduce the risks of SMEs towards disasters, actions should be taken into consideration. These include relocation of businesses to avoid risk; improvement of early warning mechanisms and business continuity plans; and adoption of risk transfer tools such as insurance.

Natural disasters including the Indian Ocean Tsunami in 2004 and the great floods in 2011 severely affected Thailand's economy as well as the global economy due to the fact that the country is a significant part of the global supply chains. These lessons-learned have prompted Thailand to shift its focus from mitigation to prevention, and from relief to preparedness. Public-private partnership in disaster risk management should be emphasized. On the one hand, SMEs as the backbone of the country's economy should take the leading role and become the champions for disaster risk reduction. On the other hand, government needs to create a more secure environment such as public policies and other incentives to support private sector resilience. Existing efforts by the Thai government include the establishment of the National Catastrophe Insurance Fund and the National Economic and Social Development Plan (2012-2016), which both highlights the importance of disaster preparedness as the way to achieve sustainable development.

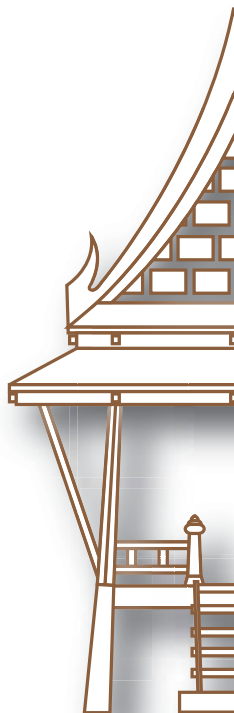




H.E. Mr. Reuben Levermore

New Zealand Ambassador to Thailand

This morning I would like to share with you New Zealand's own recent experience. On 4 September 2010, New Zealand's second largest city, Christchurch, was struck by a magnitude 7.1 earthquake centered 40kms to the west of the city. On 22 February 2011, another earthquake of magnitude 6.3 struck the region. Less than 200 people died in the Christchurch earthquakes and, tragic as that was, there are many disasters in our region that have greater human impacts. But it's important to assess also the economic impact. Before the earthquakes, Christchurch contributed 8 percent to New Zealand's GDP. The February earthquake shrank the national economy by 6–8 percent, which is equivalent to the economic impact from a severe recession. The combined total impact over the September 2010–June 2011 period was a decline in national output of about 8–11 percent. The total rebuild cost of the earthquake is estimated at NZ\$40 billion (over US\$ 30 billion) – some 20 percent of New Zealand's GDP. And more specifically, let me give you a sense on the impact on individual businesses. Damage to buildings within the CBD was so severe that it is estimated that three quarters are irreparable. An estimated 6000 businesses were shut out of premises and 50,000 people living and working in the CBD were unable to return. Not only did the earthquakes greatly affect businesses, but predominantly small and medium sized enterprises. We are a nation of small and medium sized businesses. In fact, by international standards most of our businesses are very small



indeed. In Christchurch, 97.2 percent of all enterprises were SMEs as of February 2011. Ensuring that SMEs can continue to operate as best possible in the wake of disaster is critical because SMEs often play a key role in supply chains, providing small quantities of labor-intensive components and services. In addition to this economic contribution, the recovery of SMEs also plays a role in boosting community resilience through contributing to the return to normalcy for employees and consumers alike.

SMEs can often be more vulnerable in recovery post disaster due to a lack of diversification and underinsurance. It was recognized by the Government in the immediate post-EQ phase that if SMEs did not get some financial support then there was a very real risk that many would go out of businesses and thousands of jobs would be lost. An Earthquake Support Subsidy (ESS) was established to assist employers in paying employees immediately following the earthquake and served the purposes of strengthening employer-employee relationships, giving business and employees' space to consider the long-term impact of the earthquake on business and keeping wages flowing through the Christchurch economy. Government departments were able to move quickly and to coordinate with each other. A wide range of agencies including New Zealand Trade and Enterprise, Ministry of Social Development, Work and Income New Zealand, Inland Revenue Department, and other organizations were involved. Each agency played a large and interlinking role in contributing, through advice, funding and other support mechanisms. Recover Canterbury was a Public Private Partnership established in 2011 to support SME recovery following the Canterbury earthquakes. Big challenge but it worked. This was a central hub of public and private support services to SMEs in the Canterbury region. Recover Canterbury's role was to identify what emergency help businesses needed and to ensure they were able to receive important and relevant information. During the response phase, Recover Canterbury played a vital role in communicating the needs of SMEs to public support agencies.

The experience of Recover Canterbury in working with SMEs in the response and recovery phase of disaster management led to a number of lessons for readiness and reduction being identified. Key lessons include:

Insurance:

Underinsurance, an unclear understanding of insurance policies and delays in insurance assessments adversely affected the recovery of SMEs. This stresses the importance of having insurance if this is possible. For those companies that are insured, it's also important to have a good understanding of coverage before it is actually required – to check what you are actually insured for, not what you think you are insured for.

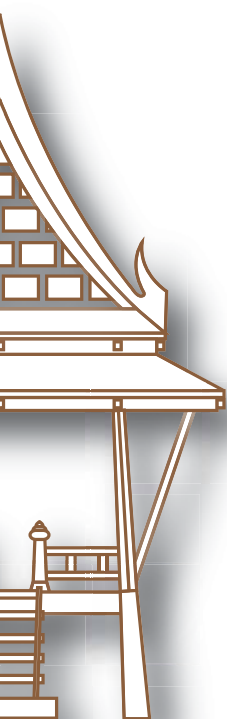
External/Cloud Storage of Key Documents:

Another lesson was to ensure that key business documents are stored online or in the cloud. Many businesses could not recover key documents. Following the February earthquake, the Christchurch CBD was closed for an unprecedented number of days. Many businesses were unable to return at all to their premises. This meant businesses with a single storage point lost access to key documents and property. Cloud, or off-site storage, would help businesses to retrieve crucial information following a disaster.

Business resilience and recovery plans:

Business continuity planning is a bigger challenge for SMEs than for larger companies with more resources. The Recover Canterbury experience was that few SMEs had in place a disaster recovery plan. These plans should include key contacts, networks and plans for communication with staff, building owners and key suppliers and customers

Although it is not known how many SMEs went out of business and 37 percent out of 128 surveyed SMEs in Christchurch reported reduced revenues. But it could have been much more severe had it not been for some fast decisive action following the quakes. The Canterbury economy is now growing strongly at around 7-8 percent, off the back of the rebuild. SMEs are the glue that binds our communities and keeps them economically alive. Supporting SMEs was critical to the recovery, and the lessons learned may help ensure SMEs are better prepared for future events. I am happy to share New Zealand's recent experience with you today and I am sure there is much we can learn from the experiences of others."



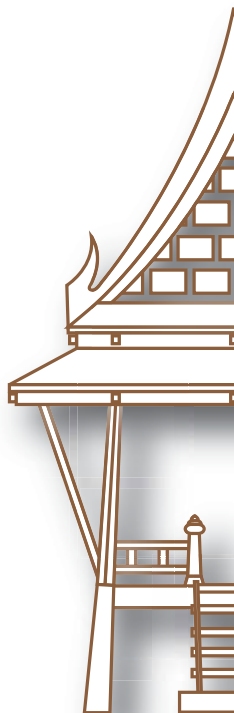


Dr. Peer Gebauer

Deputy Head of Mission, German Embassy Bangkok

All over the world - in Germany as well as in many Asian countries - disaster risks are growing and the vulnerability of people and assets to disasters is increasing significantly due to global challenges and underlying risk drivers such as rapid and poorly planned urbanization. In particular, the risk of damage to public and private infrastructure and assets is rising with the growing concentration of these assets in exposed regions and changing climate patterns. Germany is convinced that an effective, integrated disaster risk management approach involving all relevant stakeholders is needed more than ever. This includes providing an enabling environment - for an increased engagement of the private sector and for a risk-informed private investment planning, keeping in mind that 70-85% of total global investments are from the private sector. Therefore, we have to ensure that resources leveraged by active private sector engagement are key to sustainability and do not further contribute to the creation of new risks.

In this regard, special attention has to be paid to the SMEs. These are often particularly affected and struggle to recover from disasters. Many SMEs do not have the systems and processes in place to reduce their risk to disasters or to be prepared if and when they occur. SMEs are also the engine of the German economy. In 2012, about 3.6 million



German enterprises classified as SMEs, accounting for 99.6 percent of the total number of enterprises – similar to the situation in Thailand. Therefore, investing in the resilience of SMEs and to support them in accessing markets is of high importance. Their ability to quickly adapt and to develop marketable products, as well as their high degree in specialization that allow them to claim niche positions in the market, are the qualities that make many German SMEs world market leaders in their field.

When it comes to Germany's current activities and priorities in the field of disaster risk reduction, I would like to draw your attention to our work on building global partnerships with a variety of stakeholders to strengthen climate and disaster resilience across regions. Germany has launched the Global Initiative on Disaster Risk Management in order to respond more effectively and systematically to the challenges ahead. The aim of the initiative is to bring together German and regional experts from public administration, the private sector, academia and civil society in order to be able to learn from each other and to develop and pilot solutions for preventing, mitigating, transferring and preparing for disaster and climate risks. In particular, the initiative examines

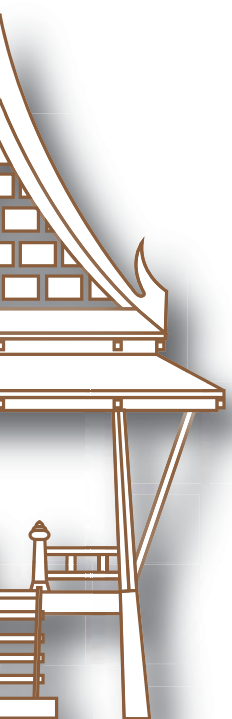
the role the private sector can play as an exposed actor that might even contribute to the creation of new risks but as well the role it can play as a potential pioneer for innovative solutions. The initiative aims to contribute to the implementation efforts regarding the Hyogo Framework for Action (HFA) and to shape the important transition to a Post-Hyogo Framework for Action.

Germany has been particularly affected by flooding in recent years and so have German businesses. In 2002, the flood in the Eastern part of the country caused economic losses of more than 20 billion Euros. Only through a very challenging learning process, in 2006, Germany was able to cope with a flood of the same magnitude with far less damages and losses. However, in May 2013 another extreme flood caused again economic loss of 8 billion Euros. Especially in those regions that were not well prepared and did not transform the lessons learned from the heavy floods in 2002 and 2006 into risk reduction and management as well as preparedness measures. Some businesses that had already been affected by the previous flood and lost many of their customers to competitors have given up and closed down their businesses. On the other hand, it became clear that those communities and businesses that have invested in their resilience did manage very well even though the intensity of the flood in 2013 was higher than the one in 2002. Nevertheless, some business operations and supply chains were disrupted due to the flood last year. In Bavaria, a global market leader in manufacturing bottling machines had to shut down its production plants as its employees were unable to get to work on inundated roads. In another part of the country, a major German car manufacturer had to stop the production of cars. There was uncertainty whether suppliers could deliver their products in time considering the damage done to the transport infrastructure.

Various studies show that we have to expect more frequent and more extreme flooding in the future, in Germany as well as in other parts of the world. Therefore it is crucial that we reflect on the social, economic, political and legal conditions to strengthen the resilience and to also reduce risks for the private sector to ensure resilient and sustainable development. Various measures were implemented after the 2002 flood, and it is shown that the population and the industries can benefit from these: A number of legislative acts were adopted or adjusted to improve flood prevention. Further, a guideline for managing floods in Europe, flood action plans of river basin commissions and various national investment programs for flood protection have been compiled. Disaster risks provide also an opportunity for SMEs to develop and implement tools or offer advisory services to strengthening resilience. Opportunities could arise in the industry for disaster preventive products such as mobile protection walls, new insulation materials and professional technical advice; in the construction industry with regard to flood control, drainage, storm protection, reconstruction; or in the service sector as in the dissemination of severe weather warnings.

To conclude; the importance of the engagement of the private sector in disaster risk management measures is well recognised. To reduce the risk of SMEs towards extreme weather events the following four aspects should be taken into consideration:

- (1) Relocation of business to avoid risk,
- (2) Risk reduction through diversification of resources, products, transport routes and services, and improving flood or storm protection,
- (3) Improved disaster response preparedness through early warning mechanisms and business continuity plans ,
- (4) Risk transfer through the elementary loss insurance but also to other links in the value chain"

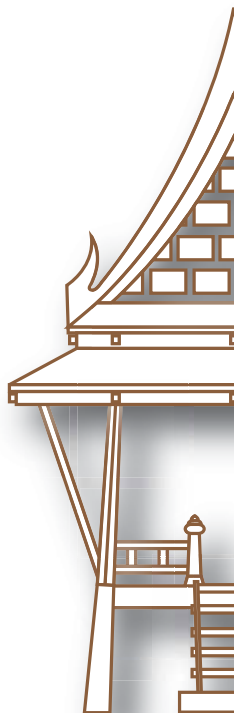




Mr. Cherdkiat Atthakor

Deputy Director-General, Department of International Organizations, MOFA Thailand

In today's world, we seem to have more natural disasters than ever before. According to the United Nations, over the past 20 years disasters due to natural hazards have affected 4.4 billion people, claimed 1.3 million lives and caused 2 trillion US Dollars in economic losses. By 2030, economic losses are expected to exceed 200 billion US Dollars per year. The Indian Ocean Tsunami in 2004 resulted in 230,000 deaths, up to five million people lost their homes or access to food and water. In Thailand, more than 5,000 people were killed and 3,000 disappeared. Most homes, hotels, restaurants and other structures on low ground in the affected areas were damaged and required significant repairs or rebuilding. Thailand also experienced the great floods in 2011, which led to damages and losses of 46 billion US Dollars, the second costliest disaster in the world that year after the East Japan earthquake and tsunami. The manufacturing sector alone bore roughly 70 percent of total damages and losses. Rehabilitation and reconstruction amounted to around 50 billion US Dollar, 75 percent of which was borne by the private sector. The floods in 2011 also had the knock-on effects to the world economy. As we are important parts of the global supply chains in auto and hard disk industries, the floods also closed factories in Malaysia, Japan and North America. This has proven that disasters are common challenges and inextricably



link to sustained economic growth and development. For us the lesson is clear that we cannot sit and wait for another major disaster to strike. We have to shift our focus from mitigation to prevention. And from relief to preparedness. Being prepared means we need to invest. And enhancing partnership, especially public-private partnership, in investing will strengthen the preparation. As far as public private partnership is concerned, both government and private sectors must play their roles in supporting disaster risk reduction and management.

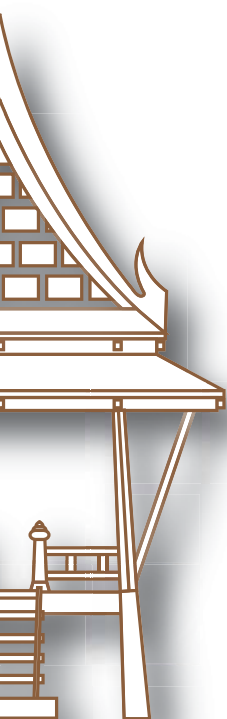
Today, we have witnessed a wide gap in engagement of the private sector in disaster risk management in many places. From Thailand's experience, I would like to highlight several key successes of engaging our private sector in the DRR scheme. In policy planning, business corporations should include DRR as a part of the core financial strategies. The main argument, of course, is that it is much less expensive to prevent or prepare for disasters than it is to respond to and recover from them. By reducing risks, a business will be much more competitive in the long run. Since business infrastructure and personnel can be vulnerable to disasters, building resilience will help protect investments. Indeed, DRR

should be seen as an investment and not as a cost. Community resilience greatly depends on the ability of the private sector to re-establish production and provide employment after disasters. Business should create a business continuity management unit. It will raise DRR awareness within the enterprise and set up a comprehensive plan ensuring the continuity of the business operations. SMEs play a strong part in promoting disaster risk reduction. Since SMEs tend to operate more locally than multinational corporations, their day-to-day involvement with their communities is closer and their awareness of local issues is accordingly more detailed. They also have a strong interest in sustainability because it is not easy for them to pick up and move to another location to avoid disaster losses or to re-build from scratch. SMEs should therefore become champions of disaster risk reduction within their communities and should play proactive roles in local planning and implementation combatting disaster risks. In terms of Government's roles in public private partnership, after major flood in 2011, we had an immediate recovery measure to assist SMEs and other business. The Government allocated 12.6 billion US Dollars for soft loans to help businesses resume operations as soon as possible. The Board of Investment also provided various incentives for affected industrial estates. In longer term, we need to put broader efforts to create a more secure environment, both for business as an enterprise and for the communities where they are located. Risk-transfer mechanisms such as insurance, has become essential for both the public and private sectors, to reduce economic losses due to disasters. We therefore need to identify ways of strengthening and promoting the adoption and use of tools such as risk transfer and risk insurance. The floods in 2011 also put the insurance industry in Thailand at risk, as the premiums for risk insurance were soaring and insurers were reluctant to provide insurance coverage. The Thai Government decided to set up the National Catastrophe Insurance Fund, with the total insured amount of around 16 billion

US Dollars, to provide risk management through insurance and reinsurance. This two-tier disaster insurance system has had a significant role in resuming Thai insurance industry to normal situation and restoring investors' confidence in pursuing business in Thailand. Last but not least, public policies should support private sector resilience. We need to identify opportunities and barriers for better collaboration and partnership between public and private sectors. As it is a primary responsibility of a state to manage disaster risks, governments have to invest on risk resilient infrastructure, of course, in cooperation and partnership with private sector and other stakeholders. From our painful experience in 2004, we created the National Disaster Warning Centre and further develop a real-time tsunami early warning and preparedness system. Furthermore, the integration of DRR into public policies for private sector development has become more evident in the SMEs Development and Promotion Plan (2012 – 2016) and the National Economic and Social Development Plan (2012 – 2016). These plans emphasize both the preparation and reaction to disasters in order to achieve sustainable development.

Thailand is not alone in thinking that private sector can play important role in DRR. In June this year, we hosted the 6th Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR), and countries in the region put forward our recommendations in the Bangkok Declaration. The Declaration states that we should encourage the development of regulations, incentives and tools to motivate improvement in disaster risk management by the private sector with an emphasis on micro, small and medium enterprises. We support private sector commitments to integrate risk assessment and use risk information in decision making and practices which will contribute to their business sustainability and resilience.

In December this year, Thailand will organize a 10th Anniversary Commemorative Event of the 2004 Indian Ocean Tsunami in remembrance of so many lives lost and carry the message on the disaster risk reduction and preparedness to the Third World Conference on Disaster Risk Reduction in Sendai "



Policy Dialogue:

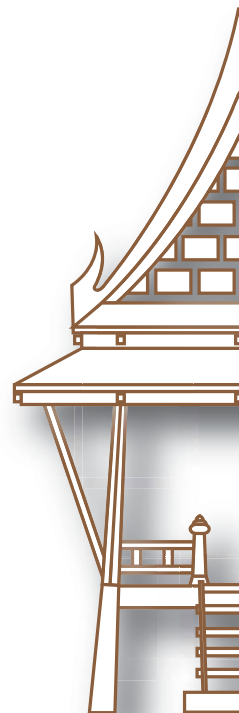
Enabling Environment and Opportunities for Safer Investment

The policy dialogue between the national and local Government, business owners, and development partners focused on exploring “get-ready” solutions for businesses in Thailand, by providing a platform to bridge the communication gap among stakeholders.

The private sector, responsible for 70–85 percent of overall global investment, should take responsibility and incorporate disaster risk into investment decisions. Making risk-informed investments can greatly reduce the cost of disaster impacts borne by the private and public sectors, minimizing uncertainty in the economic forecast. Although a lot has been discussed in this regard, actual work is yet to be done in order to effectively promote safer investments. What kind of support do business managers need from government agencies in order to make this a reality? What kind of collaboration with private companies would facilitate the government work in preparing for, and react to, natural disasters? There are many schemes and synergies yet to be explored; however, these will only be achieved with mutual understanding and awareness of each other's capacities and limitations.

Highlights from the Policy Dialogue

According to The Asia Foundation's report (2012), Thai SMEs are not well-prepared for business disruptions caused by natural disasters. The survey conducted by Asian Disaster Reduction Center (2011) further shows that only 5.7 percent of business respondents in Thailand are developing business continuity planning (BCP), whereas 57 percent of them have no clue about BCP. Disaster awareness and preparedness among businesses in the country particularly SMEs is very low due to the fact that most of the smaller companies have short-term perspectives on their businesses. They are merely concerned about financial issues and making profits. This fact is surprisingly frightening for Thailand's economy as a whole as the country, together with 9 neighboring nations, is going to join the regional economic cooperation, the ASEAN Economic Community (AEC) in 2015.



Enabling environment by the government to ensure SME resilience & risk-sensitive investment

SMEs may not be able to build disaster resilience without support from the government. The government should conduct risk assessments to identify disaster-prone areas and reveal accurate risk information, as a public good, to SMEs. Moreover, the government should help SMEs build their capacity in conducting preliminary risk assessments and developing BCP through both conventional and unconventional education. Formulating legal and institutional frameworks to enable SMEs to engage in risk reduction activities may be ideal. Yet, SMEs may not feel comfortable with this action as the survey by ADPC (2014) shows that establishing the governing body in each sector to ensure that all SMEs have BCP is the least preferable method chosen by SME respondents. Therefore, it might be more realistic to provide incentives to advocate SMEs to invest in disaster risk reduction. Likewise, these incentives should also encourage the economic development of SMEs. For instance, the insurance company may offer low insurance premiums to SMEs that have already taken certain actions to reduce disaster risks.

Understanding of disaster risk management and BCP by SMEs

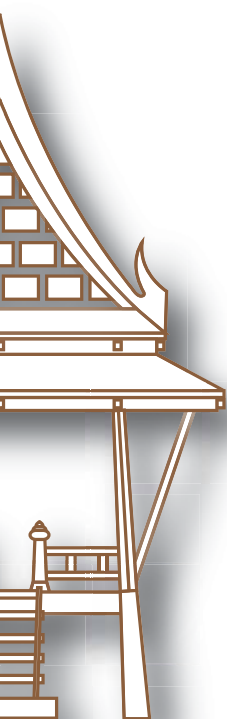
Disaster risks have always been perceived by SMEs as the external shock. Therefore, very few of them have integrated disaster risk management into their business plans. This is partly due to the occurrence and frequency of natural disasters. If disasters do not happen frequently, SMEs tend to put aside the creation of disaster management plan or even BCP and focus more on financial and marketing plans. Moreover, most SMEs are confused between the definition of emergency plan and BCP. Therefore, they believe that they have sufficiently prepared for hazards and no further actions should be undertaken.

What SMEs should do to create a resilient economy & community

In order to achieve a sustainable and resilient economic growth, SMEs which are the backbone of the country's economy must become resilient. SMEs should take actions to identify and reduce the risks. However, there is no 'one-sized-fits-all' action for SMEs. These actions should depend on both the business sector and the range of disasters. In addition, SMEs can contribute to the establishment of safer communities by getting involved in humanitarian actions. Businesses may incorporate the aspect of humanitarian response and relief in their business plans and spend some time to exercise these actions. Investing in disaster preparedness and response can contribute to the resilience of the community as a whole.

Bridging the communication gaps

Multi-stakeholder cooperation is required in order to achieve disaster resilience. However, this kind of cooperation could also be a challenge in working towards resilience due to the communication gaps between government, private sector and civil society. Therefore, forums should be arranged to gather all stakeholders to understand one another's roles, responsibilities and capacities. Moreover, digital technology can also help bridge communication gaps by increasing the engagement of all stakeholders in the issue.



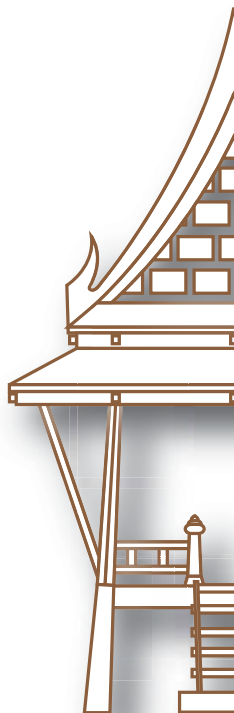


Dr. Bhichit Rattakul
ADPC

Policy Dialogue
**Enabling Environment and
Opportunities for Safer
Investment**



Dr. Thavirap Tantiwongse
GlaxoSmithKline





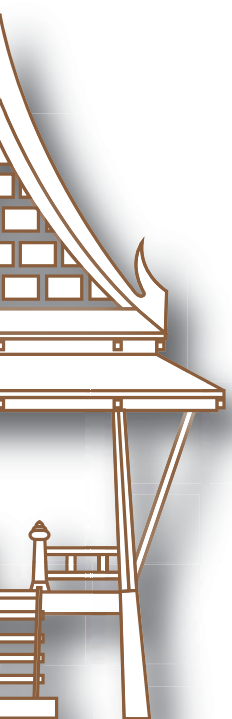
Mr. Kim McQuay
The Asia Foundation



Mr. Oliver Lacey-Hall
UNOCHA



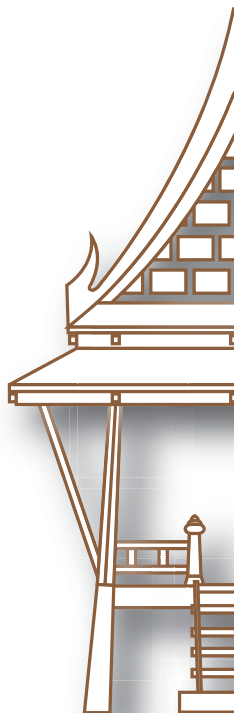
Mr. Arghya Sinha Roy
ADB



Research to Practice: Options for Business Resilience

This session was dedicated to disseminate the outcomes of the two studies that ADPC has conducted, and propose prioritized actions that Thailand can take to minimize disaster losses and enhance business resilience.


The first in-depth study focuses on legislative frameworks, incentives, awareness raising and capacity building programs on disaster preparedness available for Thai SMEs. Findings show that awareness levels of Thai SMEs on disaster risk reduction and business continuity planning (BCP) is relatively low compared to other countries in the region. This results from the fact that the government has focused on disaster relief and recovery, and has not provided sufficient incentives for SMEs to adopt risk reduction measures. The second study reveals the best practices and lessons-learned in five countries including Singapore, South Korea, Japan, Australia and New Zealand. It then proposes recommendations to Thai policymakers in supporting the engagement of SMEs in disaster risk reduction.




Partnership with the JTI Foundation

In the aftermath of the Thailand Floods in 2011, ADPC received support from the JTI Foundation to enhance disaster resilience of the community and small and medium businesses in this country. The project 'Private Sector Engagement in Natural Disaster Risk Reduction for Resilient Economies through Business Continuity Planning and Management' was launched in July 2013. With the generous support of the JTI Foundation, ADPC could establish close partnerships with DDPM and OSMEP and could reach more than 100 local SMEs in terms of raising awareness and building capacity on reducing and managing disaster risks through the implementation of business continuity planning (BCP).


 The study on "Improving Small&Medium Enterprises (SMEs) Resilience in Thailand"


 APEC's Guidebook on SME Business Continuity Planning (Thai Version)


 The training package for SMEs on Business Continuity Planning

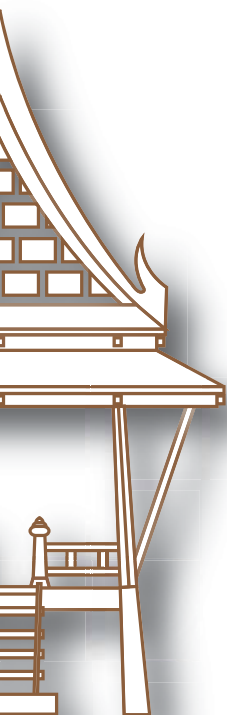
 Two training of trainers based on ISO22301

 Four activity-oriented workshops on Preparing for Business Continuity Planning participated by 100 SMEs

 Two national consultations on building the resilient business community in Thailand

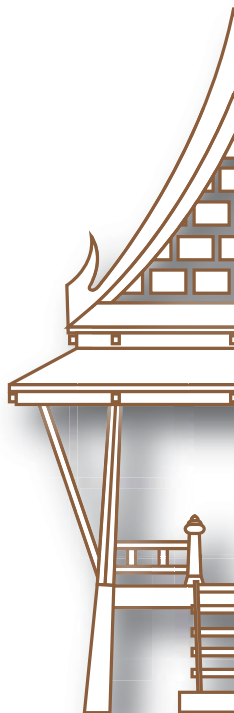
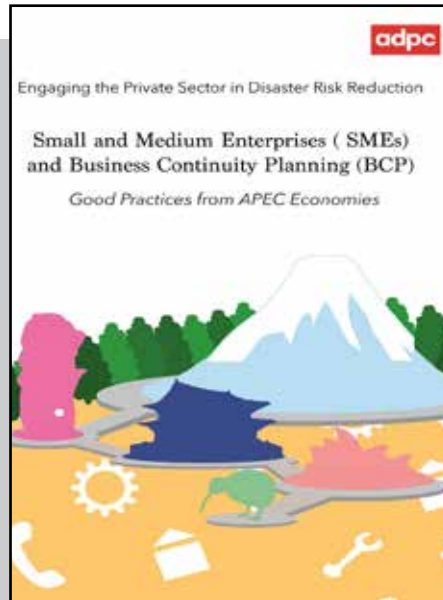
 The study on best practices from Singapore, South Korea, Japan, Australia and New Zealand on the enabling environment for improving SME resilience

 Participation in regional meetings such as APEC High Level Dialogue on Resilient SMEs for Better Supply Chains



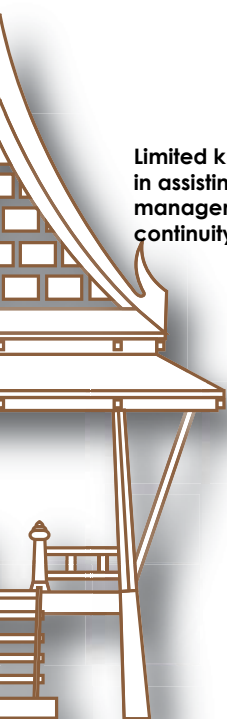
Improving **Small** and **Medium** Enterprises (**SMEs**) in Thailand and

Learning from good practices in the APEC Region



Key Lessons and Recommendations

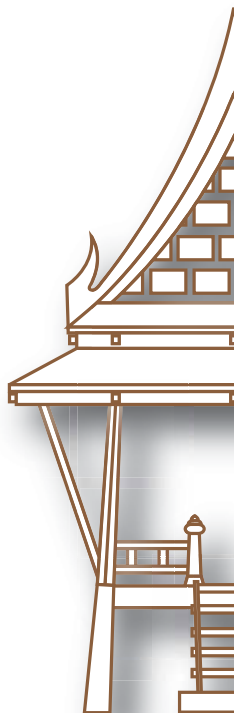
Key Lessons (Thailand)	Recommendations (Thailand)	Good Practices (Other countries)
<p>No concrete legal and institutional frameworks to promote disaster risk reduction activities among SMEs</p>	<ul style="list-style-type: none"> • Relevant agencies such as OSMEP to include disaster risk management strategies such as business continuity planning (BCP) in the policy plan • Government to develop the national standard on business continuity management for "Thai businesses" 	<p>Australia and New Zealand – AS/ NZS5050 Business Continuity- Managing Disruption Related Risk Standard</p> <p>South Korea – Act on Assistance to the Autonomous Activities of Enterprises for Disaster Mitigation (2007)</p>
<p>Only incentives to stimulate post-disaster recovery available for SMEs</p>	<ul style="list-style-type: none"> • National banks to provide financial incentives for SMEs that have undertaken disaster risk reduction activities and owned the standardized BCP • Insurance companies to offer lower insurance premiums for SMEs that have undertaken disaster risk reduction activities and owned the standardized BCP • Government and relevant agencies to provide other incentives including tender evaluation, requirements in 3rd Party Contracts, bonus points for bidding the project etc. 	<p>Singapore – National BCM Programme (Up to 70 % subsidy to help local SMEs develop BCP)</p> <p>Japan- DBJ Enterprise Disaster Resilience Rated Loan Program (Preferential interest rates to be offered to companies with qualified disaster preparedness measures)</p>
<p>Lack of information on disaster risk management strategies for SMEs (i.e. business continuity planning-BCP)</p>	<ul style="list-style-type: none"> • Government to establish the Resource/Information Center including the web portal on disaster risk management for SMEs • Government to formulate the standardized BCP Guidelines or Manuals • Government and relevant agencies to organize the awareness raising campaigns such as the knowledge exchange forums to promote the engagement of SMEs in disaster risk reduction 	<p>Japan – The Business Continuity Guidelines by the Cabinet Office</p> <p>New Zealand – Resilient Business Web Portal (http://www.resilientbusiness.co.nz/)</p> <p>Australia – Business Resilience Roundtable Breakfast</p>
<p>Limited knowledge and capacities in assisting SMEs to develop disaster management plan including business continuity plan</p>	<ul style="list-style-type: none"> • Government and relevant agencies to provide cost-effective training and workshops on BCP for SMEs • Government to support the cost of consultancy services for SMEs • Large companies to transfer knowledge on disaster management and BCP to SMEs 	<p>Singapore – Regular BCM training organized by the Singapore Business Federation (SBF)</p> <p>South Korea – BCM courses for graduate students funded by the National Emergency and Management Agency (NEMA)</p>



Thailand Business Resilience Forum: Lessons Learned & Experiences from Thailand

The Business Forum was dedicated to the business champions in Thailand who made substantial contributions in the Thai Government's initiatives in disaster risk reduction as well as adopting appropriate prevention measures in their own organization. It is structured in three parts: i) Disaster-proof BCP and turning DRM into business opportunities, ii) Local SME champions, and iii) Protecting Global Value Chains (GVCs).

In 2011, businesses in Thailand experienced the worst flooding in a half century, with over half a million SMEs affected directly or indirectly. Some of these businesses could continue their business operations as usual due to their effective business continuity management practices. Also, a number of entrepreneurs did turn the bad days into good opportunities to explore new types of businesses. However, many other companies had to shut down and were even pushed out of business. This was of particular concern for global value chains (GVCs). In order to prevent and mitigate business disruptions caused by upcoming adverse events, experiences and lessons learned should be shared among the business community. These may include business continuity planning activation, disaster risk reduction activities, emergency response, and recovery strategies, among others.



Highlights from Thailand Business Resilience Forum

Disaster-proof BCPs and Turning Emergencies into Business Opportunities



Disaster preparedness- BCP in Action by Mr. Roger Fung, BELFOR Asia

SMEs are relatively vulnerable to catastrophes and disasters due to limited resources that include qualified people and equipment. They also tend to focus more on financial settlement and replacement of equipment rather than operational recovery options. BELFOR is a global disaster recovery and property restoration company. The company strongly believes that recovery is better than restoration in terms of saving time and cost. Moreover, BELFOR launched "RED ALERT" as the solution to minimize damages and business disruptions caused by disasters. Companies can register for an emergency response program in advance without any charge. This is part of the business continuity planning (BCP) as businesses take some actions before disaster strikes. RED ALERT also allows BELFOR to serve as the company's business continuity partner. The registered company can call BELFOR within 24-48 hours after the incident. Then, BELFOR will send a group of experts to assist in rescuing and protecting assets immediately upon the team's arrival at the site in order to stabilize the situation and avoid further damages. The experts will also conduct a quick site damage assessment and provide recommendations on the restoration concept.



Every Cloud Has A Silver Lining by Dr. Ammarin Daranpob, Loxley

Although we cannot prevent disasters from occurring, we can strengthen our organizational capacity to reduce damages and losses caused by disasters. Therefore, we must learn to turn emergencies into business opportunities. Loxley was lucky because the company was directly not affected by the floods in 2011. However, Loxley can provide solutions to mitigate impacts if a disaster were to reoccur. The company responded to Thai government's call on designing Water and Disaster Management System by developing an integrated water resource and disaster management solution to save lives, property and livelihoods. Moreover, Loxley has explored new technology that can help businesses including SMEs to protect their vital information during the crisis. Loxley's "Hyper Cloud" is an answer to the concerns of businesses on the privacy and security of their critical data. Normally, the cloud computing system allows information to be shared publicly. However, the Hyper Cloud is the private secured off-premise information system that is affordable for even small companies. SMEs may not be aware of the availability of this kind of technology and tool that can help them protect and maintain valuable record. Therefore, the participation of small and medium businesses in the forums at all levels is necessary for their own development.



SCG BCM Overview by Mr. Suriya Paripunna, The Siam Cement Group (SCG)

SCG started to implement BCM in 2010 after the political unrest. In 2011, just before the mega-floods started, SCG set up the Corporate BCM Office as a center for monitoring any risks that would affect SCG's business operations. According to an announcement made by the President and CEO of SCG in 2012, all SCG subsidiaries must implement a Business Continuity Management System (BCMS). Also, all management levels including related staffs must exercise, maintain and update these plans regularly to ensure their effective use during a crisis. The SCG Crisis Management Team, as an administrative decision-making group, had effectively utilized the company's BCM to manage and respond to Thailand Mega floods incident during the end of 2011. Although SCG needed to close down its office for almost five weeks, the company was able to continue its business operations as usual. Not only is the SCG Model famous for its effectiveness in dealing with the flood, but also the model is well-recognized for its contribution to health, life and safety of the company's staffs and local community. This is because SCG places life, safety and well-being of people as the company's first priority.

Highlights from Thailand Business Resilience Forum Local SME Champions



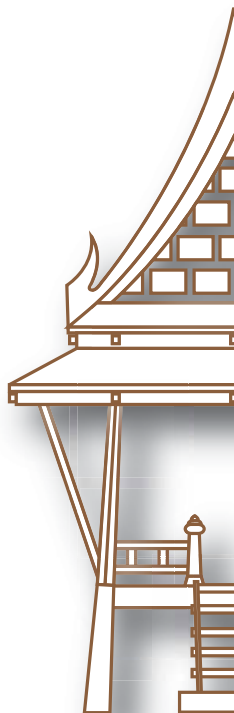
From left to right: Mr. Sorayut , Ms. Nardrapee , Mr. Seksan, Mr. Traithep and Ms. Atchara

"Sometimes too much news and information, especially in the midst of disasters, can cause a big problem to you. During the floods in 2011, I was so concerned whether the water would reach our house and the office. We prepared everything including staying overnight at the factory. However, we kept listening to the information provided by the media every single day. After that, concerns turned into stresses, and finally stresses turned into a serious illness. I would like to remind everyone to put yourself together during crises. Don't panic."

Ms. Nardrapee Wangwongsakul, Top Multi Prints

"I believe that there are two reasons why SMEs in Thailand are not really aware of BCP. First, most of SMEs think that developing BCP can bring the additional cost to their budget. The problem with SMEs is that we need to struggle in order to survive. Therefore, most of us tend to focus more on developing the plans that can bring benefits to us such as the marketing plan. The second reason is related to the legislation. I think we have a very weak law in enforcing SMEs to implement the plan to deal with emergencies. Thus, SMEs are not fully aware of this kind of thing."

Mr. Seksan Leelathipkul, Since 24



"I had no plan during the mega floods in 2011. When the water came, I did not know what to do. Although, my client whose company was located in Khon Kaen wanted to buy my software. I could not go to see him at his office and no one from my company could work on the product because their houses were inundated. From this incident, I realized how important human resources are. If I speak on this stage ago still do not know what to do. However, I participated in ADPC's BCP Orientation Workshop two months ago, and now I know how to improve my business and protect my employees. Therefore, having a BCP Guideline is crucial and the government should promote it to the public and SMEs."

Mr. Sorayut Oungkananukit, Annai

"My company experienced three major crises during the past few years, including the political riots in 2010 and 2013, as well as the great floods in 2011. Initially, I did not know how to deal with such unprecedented incidents. However, I have learned from the previous crises and have realized what I should do to prepare and to respond to the situation in order to continue our business as usual. Also, I believe that affected-SMEs need quick support from the government. Normally, we need to wait 3-6 months after disasters for loans, and it might be too late for us to sustain our businesses. I think the agency such as SME Bank should set up the 'emergency fund' and allow SMEs that have implemented the standardized BCP or related plans to access to the fund right after the occurrence of disaster."

Mr. Traithep Srikalra, ProPlugin Group

"During a disaster event, we may encounter some hardships, but it is a good opportunity for us to strengthen our business partnership by helping one another as well as learning from past mistakes to improve ourselves. To conclude, we would like to urge the government to: provide us quick financial support; promote the BCP training and give us more precise information on disasters."

Ms. Atchara Poomee, Advance Exchange Technology

Highlights from Thailand Business Resilience Forum

Protecting Global Value Chains (GVCs)



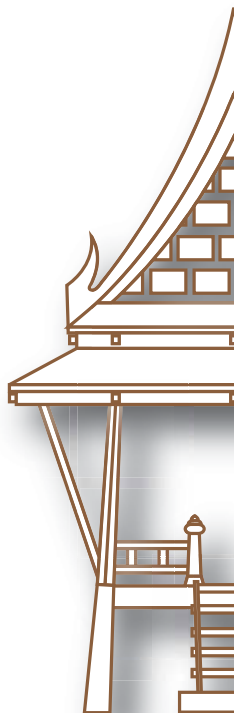
Concept of Otagai Project : Overcoming Fragility of GVCs by Mr. Daisuke Matsushima, Advisor to NESDB

The Otagai Project was implemented in 2011 after the Great East Japan Earthquake and the Great Floods in Thailand. The project serves as a platform of cooperation to strengthen industrial relationship between Japan and Thailand through a backup system under the Asia-wide supply chain. Otagai, in Japanese, means 'each other' or 'together'. Therefore, companies in the two countries are encouraged to cooperate with one another under the sister cluster during normal situations and emergencies. Japanese and Thai SMEs can ordinarily exchange know-how and technology, but they can also be one another's suppliers when a crisis happens. The Memorandum of Understanding (MoU) has been signed between Japanese and Thai governments to kick off the pilot project that connects the rice companies in Nakhon Sawan province with those in Niigata Prefecture. The project has expanded to other ASEAN countries to foster Japan-ASEAN economic links through industrial linkages beyond the ASEAN Economic Community (AEC).



Business Continuity Management Industry Trends and Updates by Mr. Henry Ee., BCP Asia

In the past, businesses, especially SMEs did not regard disaster risks as their potential threats. Also, insurance was too expensive. However, they have become more concerned on disasters only when bad things have already happened. For this reason, businesses should prepare themselves for any potential disasters and come up with a risk management plan. If the company tells their clients to use its competitors' system during disaster events, there will definitely be a serious negative consequence on its business operation. For instance, the company might lose its important data and customers. By integrating relevant discipline including risk management, emergency management, supply chain management, crisis management and (IT) Disaster Recovery, Business Continuity Management (BCM) can help businesses continue their operations during and after a crises. However, before adopting BCM, businesses need to identify their minimum needs for their businesses, then plan ahead for emergencies and crises.





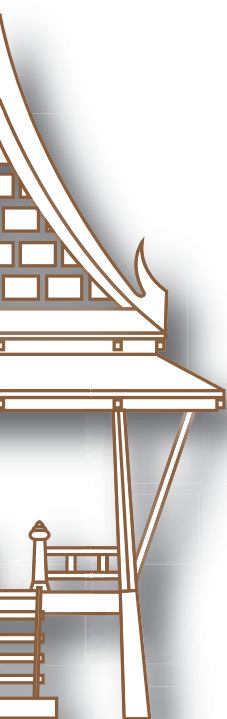
Honda Khieng Khang Thai Fund by Ms. Oranuch Pruckwattananon, Honda

Honda is one of the victims of the Thailand floods in 2011. Honda Automobile (Thailand) Co., Ltd located in the Rojana Industrial Estate, was under the three-meter water for six weeks. The car factory needed to be closed down due to damaged equipment, and this incident also affected many suppliers in the same region. The plant was officially re-opened after five months. In a mean time, Honda Group Thailand donated 100 million baht to the Thai Red Cross to help people who suffered from the effects of the floods. As Honda would like to become the company that society wants to exist, Honda Group Thailand established the Honda Khieng Khang Thai Fund, which means "Honda will be side by side with Thai society" in 2012. The Fund's objectives are to provide assistance to Thai people during disasters and educate people living in the risk-prone areas to prepare for disasters. Honda will donate 1,000 baht to the Fund for every Honda car sold, 100 baht for every Honda motorcycle sold and 10 baht for every Honda power product sold. The company has partnered with DDPM, Thai Red Cross and National Institute for Emergency Medicine (NIEM) to conduct disaster mitigation training across Thailand and provide disaster relief packages to flood victims.



Protecting Marriott by Kevin Piyaphongs, Bangkok Marriott Sukhumvit

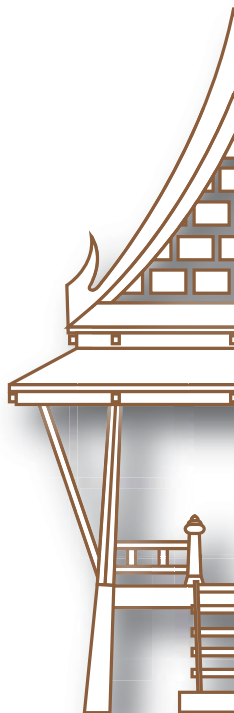
Marriott hotels have encountered several potential threats. Terrorism is one of the major threats that posed great impact to the hotel. In Islamabad, the Marriott Hotel is situated in the city surrounded by the government offices, which can be considered as a risk-prone area. At that time, the hotel area was equipped with security officers, CCTV, under-vehicle camera and bomb sniffing dogs. However, the terrorist still managed to detonate a suicide car bomb at the front gate, which took 56 lives and caused significant damage to the hotel. A similar incident also occurred in Jakarta in 2009. Afterwards, the Marriott increased its security to the maximum level. In terms of natural disasters, the Marriott Hotel in Japan experienced tsunami followed by radiation threat. Although the Marriott Hotel implemented the plan to respond to disasters, it had not been practiced and tested by hotel staffs regularly. Since then, the hotel has been attempting to improve and exercise the existing plan. From the hotel's security point of view, based on the Invisible Gorilla Test, we should not focus on just one thing, but we should see the broad picture in general.



Take Away Session:

The Window of Opportunities for Private Sector in the Post-2015 Framework for Disaster Risk Reduction

The participants took a wealth of experience, knowledge and suggestions from UN agencies, development partners and home countries on what benefits them in the post-2015 HFA and sustainable development frameworks.



The private sector is among the key stakeholders for local, national and international disaster risk reduction frameworks. The Bangkok Declaration, resulted from the 6th Asian Ministerial Conference on DRR, further encourages "risk-informed investment as part of the business process" in order to achieve business sustainability and resilience. The coming year, 2015, will mark the completion of the 10-year "Hyogo Framework for Action (HFA)", the current blueprint for international disaster risk reduction efforts. In this context, the private sector is already geared up for a post-2015 disaster risk reduction agenda to be adopted at the 3rd World Conference on DRR in Sendai, Japan next year. Also, the role of the private sector in humanitarian action will be discussed at the first-ever World Humanitarian Summit in 2016.



UN World Conference on
Disaster Risk Reduction
2015 Sendai Japan

14-18 March 2015
Sendai, Japan

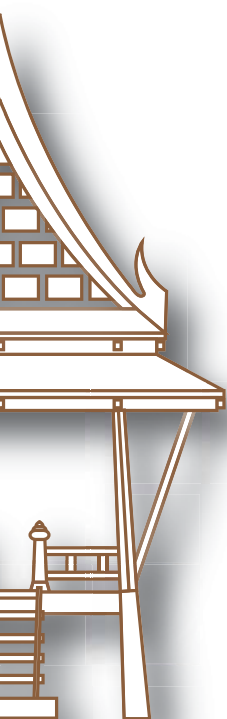
Source: www.wcdrr.org



The Power of Business in Emergencies

The Power of Business in Emergencies

Source: www.worldhumanitariansummit.org



Ms. Urawadee Sriphiromya, MOFA Thailand

Natural disasters such as the 2004 Indian Ocean earthquake and tsunami and the 2011 Thailand Floods are a wake-up call for the Thai government to invest in disaster prevention, mitigation and preparedness to protect businesses and the country's economic growth. Thailand has become one of the most active countries that has engaged in promoting disaster risk reduction and sustainable development in global and regional platforms. The Bangkok Declaration adopted at the 6th Asian Ministerial Conference on DRR (AMCDRR) which was hosted by the Royal Thai Government also highlighted the role of the private sector in DRR and risk-informed investment. Moreover, Thailand currently serves as a Co-Chair of Preparatory Committee for the 3rd WCDRR and would ensure opportunities for the private sector to engage in global DRR forums.

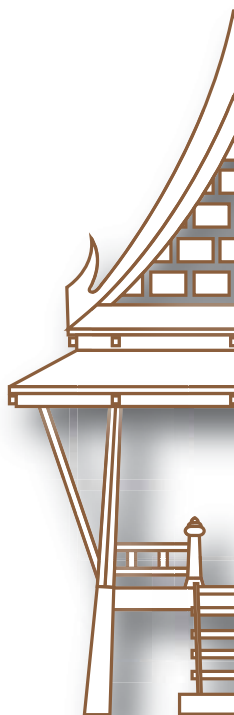


Ms. Brigitte Leoni, UNISDR

The Hyogo Framework for Action (HFA) 2005-2015 is the world's first guideline focusing on the reduction of risks associated with natural hazards. This ten-year plan may effectively help decrease human casualties, yet economic losses caused by disaster events have enormously increased. Next year, the international community will discuss the post-2015 Global Framework on Disaster Risk Reduction or widely known as 'HFA2'. One of the main agendas that would be brought to Sendai is the private sector's role and responsibility in reducing disaster risks. The Private Sector Advisory Group (PSAG) was formed to represent businesses in addressing disaster risk reduction issues together with UNISDR and contribute to the implementation of HFA2.

Mr. Oliver Lacey-Hall, UNOCHA

Over the past ten years, we have been discussing the HFA. At the time of its implementation in 2005, the negotiation process was largely driven by the humanitarian practitioners including UNOCHA. Therefore, when negotiating the new framework next year in Sendai, all stakeholders must ensure the inclusion of 'disaster preparedness and response' as the driver of processes that generate the humanitarian needs and the solutions for some of these problems. The private sector does have a crucial role to play in humanitarian action in all areas, and has informally played this role for over the past twenty years. The private sector involvement in humanitarian action will be further discussed in December 2014 at the OCHA's Regional Business Consultation and in May 2016 at the first World Humanitarian Summit. For more information and the online discussion, visit www.worldhumanitarianissummit.org/whs_business



Mr. Stephan Huppertz, GIZ

More than 70 percent of global investments are made by the private sector. Therefore, ensuring risk-sensitive investments is very important. The private sector must learn how to invest smartly and not to create new risks. The German government launched the Global Initiative on Disaster Risk Management (GIDRM) to promote the public-private partnership in DRM. One of the main goals of this initiative is to strengthen the ties between government agencies in the country, allow them to effectively coordinate with one another to achieve global resilience. Six ministries have participated in GIDRM, including the Ministry of Economic Affairs which has witnessed economic losses and supply chain disruptions caused by disasters. Under this initiative, GIZ worked with Siemens to provide resilient solutions in terms of infrastructure, energy and transportation system. Recently, GIZ has partnered with UNISDR and PATA to create a 'Hotel Resilient Certification' as the tool for the tourism industry to prepare for and reduce disaster risks.



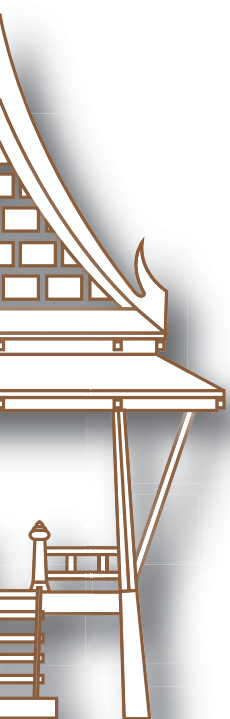
From left to right: Ms. Chanidabha, Dr. Thavirap , Ms. Brigitte , Mr. Stephan, Ms. Urawadee, Mr. Oliver, Dr. Sanjay and Mr. Aslam

Dr. Sanjay Srivastava, UNESCAP

In the past five years, natural disasters have brought about more than USD100 billion of losses to the Asia-Pacific region, and more than 60 percent of total losses were borne by the private sector. There are three major ways to engage the private sector in DRR and improve their resilience to disasters. First, incentives should be given to businesses to encourage them to conduct risk reduction activities. Moreover, the private sector should be encouraged to make all investment risk-sensitive. Last but not least, the role of technology in addressing disaster risk reduction should not be undermined. Technologies such as cloud computing can be a 'game changer'. Therefore, strengthening the capacities of business in dealing with disasters is crucial. In November 2014, UNESCAP will organize the Asia-Pacific Business Forum (APBF) in Sri Lanka, and this will be the other important platform for business, government, academic and civil society stakeholders to discuss about the public-private partnership (PPP) and the pathways towards resiliency and sustainable development.

Dr. Thavirap Tantiwongse, GSK

Businesses are risk-takers, and they should know how to manage, handle and minimize risks as well as turn them into opportunities. Moreover, when doing businesses, entrepreneurs need to ensure that they do no harm others including the community. Charles Darwin once said, "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change". In the land of blind, the one eyed man is king. Therefore, if you are business leaders, you need to open one eye and think the unthinkable. Last but not least, do not label of yourself as the public or private sector. Do not think yourself in isolation because that is a recipe for disaster. It is All for One and One for All. We need to work together effectively towards resilience.



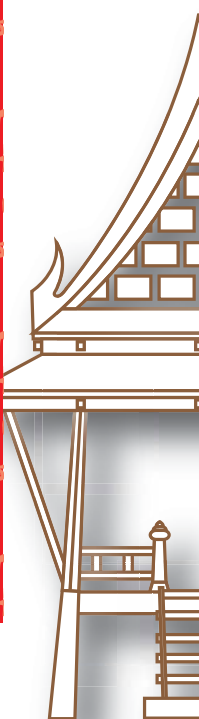
**Road2Resilience:
Private Sector in
Disaster Risk Reduction**

**i prepare
BUSINESS**

Building
resilience in business

Making business
continuity plan easy

Solutions for
risk-informed investment



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iPrepareBusiness



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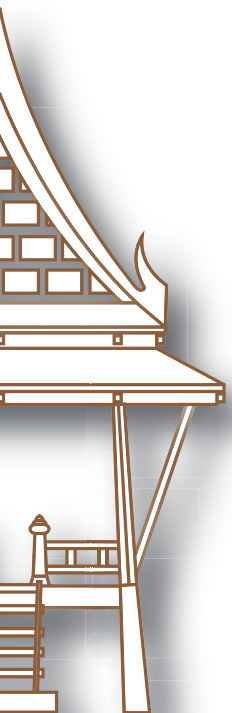
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Enhancing SME's RESILIENCE

Building capacity of small business to adapt to disaster and climate change risks.

Disaster impact on SME's resilience creating economic losses.

Private sector engagement in DRR provided by **adpc**
Asian Disaster Preparedness Center

Business Continuity Plan

A TOOL for resilient investment

Your investment will be **SAFE**

Business supply chains will be **SECURED**

Your competitiveness will be **INCREASED**

Your customer confidence will be **ENHANCED**

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Asian Disaster Preparedness Center

Private Sector ENGAGEMENT in Disaster Risk Reduction

Create shared value through disaster risk management

Partnership for risk information into investment decision

Private sector engagement in DRR provided by **adpc**
Asian Disaster Preparedness Center

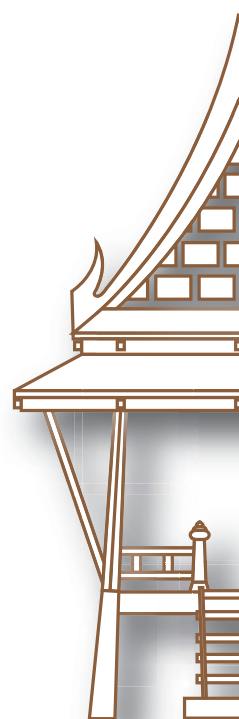
Business case of DISASTER RISK REDUCTION

It is no longer "Business as usual!"

Disaster risk must be calculated for economic forecasts and growth projections

Anticipate risk in public and private investment

Private sector engagement in DRR provided by **adpc**
Asian Disaster Preparedness Center



Enhancing Capacities of Small and Medium Enterprises to

Strengthen Resilience

SMEs

OBJECTIVES



AWARENESS RAISING AND KNOWLEDGE SHARING PLATFORMS

BUILDING CAPACITY: SIMPLIFYING BUSINESS CONTINUITY PLANNING AND RISK ASSESSMENT

CREATING AN ENABLING ENVIRONMENT FOR BUSINESS RESILIENCE AND RESILIENT INVESTMENT

EXPLORING SAFER INVESTMENT MECHANISM

ACTIVITIES



TRAINING ON BCP



AWARENESS RAISING ACTIVITIES SUCH AS NATIONAL FORUMS



UNDERTAKING RISK ASSESSMENT



TECHNICAL SUPPORT TO THE GOVERNMENT ON POLICIES AND INCENTIVES FOR SMEs TO INVEST IN DRM



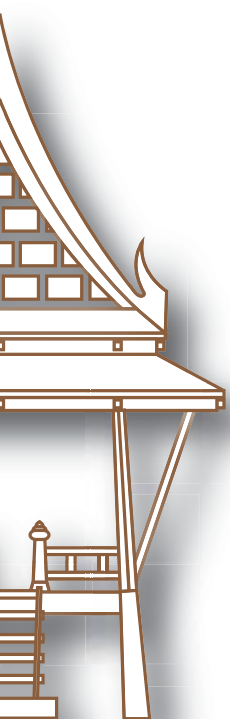
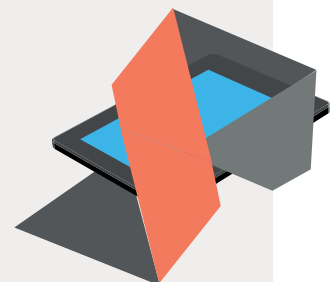
POLICY ANALYSES



UNDERTAKING SURVEY TO UNDERSTAND NEEDS OF SMEs



KNOWLEDGE SHARING MECHANISM



Interview of Dr. Bhichit Rattakul on Channel 3

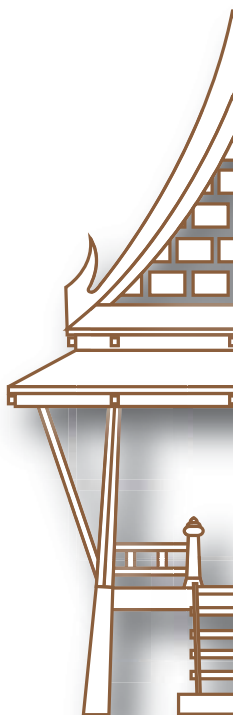


ดร.พิจิตต รัตกุล ที่ปรึกษาพิเศษของ ADPC ได้ให้สัมภาษณ์เกี่ยวกับกิจกรรมของ ADPC ในการส่งเสริมให้ภาคเอกชน โดยเฉพาะธุรกิจขนาดกลางและขนาดย่อม (เอสเอ็มอี) มีส่วนร่วมในการลดความเสี่ยงจากภัยพิบัติ ในรายการ "ช่วยคิดช่วยทำ" ออกอากาศในวันที่ 13 และ 14 ตุลาคม 2557 ทางช่อง 3

ดร.พิจิตต กล่าวถึงสาเหตุสำคัญที่ ADPC ให้ความสนใจในการให้ความรู้ความเข้าใจด้านการลดความเสี่ยงจากภัยพิบัติแก่ภาคเอกชน โดยเฉพาะเอสเอ็มอีว่า ทุกครั้งที่เกิดภัยพิบัติ นอกจากจะมีการสูญเสียชีวิตของผู้คนจำนวนมากแล้ว ยังมีการสูญเสียทางเม็ดเงินจำนวนมากเกิดขึ้นกับอุตสาหกรรมทุกขนาด เพราะฉะนั้นทาง ADPC จึงเล็งเห็นความจำเป็นในการให้ความช่วยเหลือภาคเอกชนเพื่อเตรียมพร้อมรับมือกับภัยพิบัติก่อนความช่วยเหลือจากภาครัฐจะเข้าไปถึง

สำหรับด้านการเตรียมพร้อมของเอสเอ็มอีนั้น ดร.พิจิตต อธิบายถึงสิ่งสำคัญ 2 ประการ กล่าวคือ ประการแรก เอสเอ็มอีจะต้องมีความเข้าใจภัยนั้นไม่ใช่อุบัติเหตุ ประการต่อมา เอสเอ็มอีจะต้องทำการประเมินความเสี่ยงด้วยตนเอง โดยภาครัฐอาจให้คำแนะนำ เช่น พื้นที่ไหนที่ควรสำรวจ อาจเป็นลำน้ำ เขื่อน หรือชายฝั่งทะเล เมื่อเอสเอ็มอีไปสำรวจด้วยตนเองแล้วก็จะทราบว่าบริษัทของตนเองมีความเสี่ยงต่ออะไร เช่น อาจเสี่ยงต่อน้ำที่ไหลจากที่สูง เป็นต้น

อีกทั้ง ดร.พิจิตต ได้กล่าวเพิ่มเติมถึงกรณีที่เอสเอ็มอีตระหนักได้ว่ามีความเสี่ยงต่อภัยต่างๆ แล้ว สิ่งต่อมาที่เอสเอ็มอีควรทำคือ การลดความเสี่ยงจากภัยพิบัติ โดยอาจช่วยเสริมสร้างขีดความสามารถ ให้ความรู้แก่ชุมชนที่ตั้งอยู่บริเวณโดยรอบธุรกิจของตน เพื่อให้ชุมชนจะสามารถช่วยเตือนภัยยามวิกฤต เช่น ทหารระดับนำสูงขึ้น ชาวบ้านในชุมชนอาจเคาะระฆัง เพื่อให้ชาวบ้านในชุมชนอพยพ และให้บริษัทเตรียมการไม่ให้เครื่องปั้นไฟหรือโกดังต้องจมน้ำ แต่ที่สำคัญ เอสเอ็มอีจะต้องเข้าใจว่าการเตรียมความพร้อมป้องกันภัยพิบัติไม่ใช่แค่การอพยพ หรือแผนปฏิบัติการฉุกเฉินเพื่อหลีกเลี่ยงเท่านั้น การเตรียมพร้อมจะต้องกระทำล่วงหน้า ถ้าจะสร้างโรงงานจะต้องพิจารณาก่อนการวางผังของโรงงาน เช่น ไม่ควรสร้างในบริเวณที่น้ำไหลผ่าน ซึ่งหลักการนี้เป็นสิ่งที่สหประชาชาติต้องการจะบอกทั่วโลกว่า การคำนึงถึงเรื่องของภัยพิบัติในระหว่างการพัฒนาเป็นสิ่งที่จะต้องคำนึง ยกตัวอย่างการสร้างโรงงานในท่าเรือแหลมฉบัง ต้องวางแผนพัฒนาแผนจัดการสิ่งแวดล้อม และแผนเตรียมพร้อมรับมือภัยพิบัติอย่างควบคู่กัน บางบริษัทอาจจะมีการประเมินสิ่งแวดล้อม (EIA) ซึ่งเป็นการศึกษาวิเคราะห์ผลกระทบที่เกิดขึ้นกับชุมชน แต่แผนเตรียมพร้อมรับมือภัยพิบัตินั้นเป็นกรวางแผนให้ตัวบริษัทเองเสียหายน้อยที่สุด



In the News

Critical need for Thailand to protect its SMEs

BUSINESS
PEDRO EDO CHAMIDABHA YURTADATTA

...anchoring the resilience of small and medium enterprises to various shocks is a crucial factor in preparing Thailand for the fierce competition of the regional market since the Asian Economic Community (AEC) comes into effect in 2015.

highest concern among both policymakers and entrepreneurs. According to the Asian Survey, SMEs account for more than 90% of all businesses and generate 56-60% of the total domestic employment across the Asian economies. As the AEC will be established in 2015, Thai SMEs will have greater opportunities to obtain trade and investment benefits. However, the competitiveness and sustainability of SMEs in the regional free market will be subject to their capacity in managing the risk arising from increasingly frequent disasters, such as floods, droughts and cyclones. The 2011 Thailand's floods became the fourth deadliest disaster in history with

total damages and losses reaching 1.41 trillion baht. The flooding had a devastating effect on the industrial sector but especially on SMEs. It has been estimated that over half a million businesses were affected, many of which were bankrupt or could not resume operations without financial support from the Bank of Thailand. SMEs in Thailand need to be aware of the importance of establishing business continuity plans for individual companies as well as for production and component spread, considering the possible widespread consequences of disasters to their globalised economic activities. This is essential in order to strengthen

the reliability of supply chains in Thailand and in the Asia Pacific region as a whole. There is no doubt the future investment by global companies in Thailand will be influenced by the resilience of local SMEs, since a global supply chain is only as strong as its weakest link. SMEs, the backbone of the economy, are the most vulnerable businesses due to the lack of expertise and resources to recover after a catastrophic event. More needs to be done to put in place appropriate legislation, a conducive environment, and win-win incentives, as well as to increase public and private awareness and enhance skills in business continuity planning.

SMEs are uniquely positioned to bring communities back from devastation, as they have an existing relationship with the affected population and a vested interest in promoting a speedy and lasting recovery. Let's remind ourselves that a bankrupt business means a lot more than a business owner losing his capital. It translates into more serious economic and social problems like unemployment, higher pressure on public budgets, and even more importantly, it leaves families without income when they need it the most.

Pedro Edo is a consultant and Chamidabha Yurtadatta is project assistant at the Asian Disaster Preparedness Center.



SME 73.2% ไร้แผนรับมือภัยพิบัติ

เรื่องโดย Nabion TV วันที่ 8 ตุลาคม 2557 12:53 น. 109 views

สสว. เผยผลสำรวจภัยพิบัติไทย 73.2% ไร้แผนบริหารจัดการความเสี่ยงจากภัยพิบัติ ทั้งที่ได้รับความกระทบทึ่งจากสถานการณ์ภัยแล้งและอุทกภัยในช่วงที่ผ่านมา

รักษาการ ผู้อำนวยการสำนักงานส่งเสริมวิสาหกิจขนาดกลางและขนาดย่อม หรือ สสว. วัฒนาพงศ์ โกสุมาต เผยรายงานจากมูลนิธิเอเซีย ซึ่งได้สำรวจความพร้อมของผู้ประกอบการเอสเอ็มอีไทยในการรับมือภัยพิบัติ พบว่าผู้ประกอบการถึง 73.2% ยังไม่มีแผนบริหารจัดการความเสี่ยงจากภัยพิบัติ และแทบไม่มีผู้ประกอบการรายใดมีข้อมูล หรือแผนรับมือภัยพิบัติจากภัยธรรมชาติ ทั้งที่เคยได้รับความเสียหายอย่างมากจากภัยธรรมชาติมาแล้ว คือสถานการณ์ภัยแล้งในปี 2553 ที่สร้างความสูญเสียต่อเศรษฐกิจถึง 2.4 ล้านล้านบาท และเหตุอุทกภัยในปี 2554 สร้างความสูญเสียถึง 1.4 ล้านล้านบาท

รายงานดังกล่าวระบุว่า เอสเอ็มอีไทยส่วนใหญ่ไม่ได้คว่ำการวางแผนการบริหารจัดการความเสี่ยงจากภัยพิบัติเป็นสิ่งจำเป็น เพราะขาดความรู้ความเข้าใจในเนื้อหาของแผนบริหารจัดการความเสี่ยงที่มีมากมาย และสามารถปกป้องผู้คน สถานที่ และทรัพย์สินได้ ทั้งที่ปัญหาความเปลี่ยนแปลงของสภาพดินฟ้าอากาศมีแนวโน้มจะรุนแรงมากขึ้นในรอบ 50 ปีข้างหน้า ผู้ประกอบการเอสเอ็มอีจำเป็นต้องมีส่วนร่วมกำหนดยุทธศาสตร์ของประเทศในเรื่องนี้

ที่ผ่านมาภาครัฐ ได้ดำเนินการช่วยเหลือส่งเสริมให้ภาคเอกชนสามารถป้องกันและลดความรุนแรงจากผลกระทบภัยพิบัติ โดยเฉพาะมาตรการช่วยเหลือทางการเงิน เช่น การยกเว้นภาษี การให้สินเชื่อดอกเบี้ยต่ำ และการช่วยค่าประกันสินค้า เชื่อมโยงทั้งส่งเสริมให้ภาคเอกชนนำมาตรฐาน ISO 22301 ว่าด้วยการบริหารจัดการธุรกิจอย่างต่อเนื่อง ไปใช้ในการทำธุรกิจ

ขณะเดียวกัน สสว. ได้จัดทำมาตรการและโครงการต่างๆ เพื่อช่วยผู้ประกอบการเอสเอ็มอี สามารถฟื้นตัวได้เร็วขึ้น เช่น โครงการเสริมสร้างภูมิคุ้มกันเพื่อรองรับภัยพิบัติ ให้ความสนับสนุนทางการเงินในโครงการลดต้นทุนดอกเบี้ย ที่ผ่านมามีผู้ประกอบการ 15,335 ราย ได้รับความช่วยเหลือ ภายใต้วงเงิน 240 ล้านบาท และในเร็วๆ นี้ สสว. จะจัดสัมมนาเรื่องการลดความเสี่ยงจากภัยพิบัติ และจะเร่งจัดทำแผนการดำเนินธุรกิจอย่างต่อเนื่อง

Bangkok Post The world's window on Thailand

Osmep prepares for worst

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Small and medium-sized enterprises (SMEs) are becoming more aware of the importance of business continuity plans (BCPs), but few have created one, says the Office of Small and Medium Enterprises Promotion (Osmep). "Many SMEs do not have BCPs because they do not understand that they need one even though they know what they are. They also lack the information and resources to develop one," said acting director-general Wimonkan Kosumas. "BCPs will become more important, as many international development agencies have indicated Asean is highly prone to natural disasters." SMEs are more vulnerable than large companies since they have less capacity to recover from disasters, she said. Osmep will focus on providing SMEs access to information on business continuity plans. The agency is cooperating with the Asian Disaster Preparedness Center to organise training programmes for SMEs to develop BCPs and allow new SMEs to access the ADPCP database on disaster-prone areas in order to develop their plans accordingly. The programme will train 100 SMEs and specialists this year to improve their capacity to recover from disasters, she said. Osmep also developed BCP guidelines for different SME sectors to use. "For many SMEs, the 2011 flood happened a while ago, and many assume it is unlikely to happen again. But the reality is another disaster will eventually happen," said ADPCP executive director Shane Wright. He said while some SMEs have made BCPs, the challenge is to maintain preparedness, as there is always room for improvement. The first step is a discussion about what to do if roads cannot be accessed, where to store important information and how to contact workers after the recovery. "The situation for Thai SMEs is no different than the rest of the world, where the challenge is to get people to understand that planning for disasters is critical to their business," said Mr Wright.

Related search: [SMEs](#), [ADPCP](#)



adpc

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