Improving Natural Disaster Resilience of APEC SMEs to Facilitate Trade and Investment

Purpose: Information
Submitted by: Chinese Taipei
The APEC EPWG Meeting

Improving Natural Disaster Resilience of APEC SMEs to Facilitate Trade and Investment

Chinese Taipei
2nd July 2013

Outlines

1. Project Overview
2. Project Outcomes
3. 2013 Deliverables
4. Expected Outcomes in 2013
5. Upcoming Events in 2014
SMEs are the lifeblood in the APEC Region

- SMEs account for 90% of the businesses and employ well over half of the workforce for the majority of economies in the region.

SMEs lack disaster preemptive knowledge and mechanisms

- From the 311 Earthquake in Japan, more than 300 companies went down in six months, and 90% out of these companies went bankrupt by “indirect loss or damage” caused by natural disasters.

Chinese Taipei proposed a multi-year project for SMEs to respond to natural disasters in the APEC region, to establish reliable supply chains for SMEs and to ensure the continuity of trade and investment.

APEC 2013 Theme: Resilient Asia Pacific, Engine of Global Growth

- Attaining the Bogor Goals
  - Trade and Investment Liberalization and Facilitation
- Achieving Sustainable Growth with Equity
  - Enhancing SMEs’ Global Competitiveness
- Promoting Connectivity

APEC SMEMM Theme: Enhancing SME Global Competitiveness

- Entrepreneurship development for SMEs
- Empowering SMEs to Expand to International Market
- Increasing Access to Finance for SMEs
Project Overview (3/3)

**Objective**

Better Emergency Preparedness is Vital to Resilient Asia-Pacific

To enhance the awareness of SMEs and governments on natural disaster risks (Policy Framework Model)

To share best practices and assist SMEs to implement disaster preemptive mechanisms (Business Continuity Plans)

To identify threats and possible solutions for SMEs

**2013 Deliverables**

- FPN & Expert Meeting
- Guidebook on SME BCPs
- Train-the-trainer Workshop
- Policy Framework Model

Project Outcomes in 2012 (1/2)

**Key Outcomes in 2012**

<table>
<thead>
<tr>
<th>BCP Survey</th>
<th>Joint Study</th>
<th>FPN Meeting</th>
<th>Expert Meeting</th>
<th>APEC Symposium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperation w/ ADRC</td>
<td>Submission in Mid-October</td>
<td>Role of Focal Points</td>
<td>Participation &amp; Supports</td>
<td>Guidelines on Promoting Business Continuity Plans to Strengthen Reliability of Supply Chains</td>
</tr>
<tr>
<td>Survey results from 7 economies</td>
<td>Released in December</td>
<td>Dissemination of Project Info</td>
<td>Monthly Reports</td>
<td>The Guidelines have been endorsed in 19th SMEEMM</td>
</tr>
<tr>
<td>Report of Survey to all member economies in 2012</td>
<td>We share the results at SCMC official website: <a href="http://www.apecscmc.org/">http://www.apecscmc.org/</a></td>
<td>Tasks of Experts</td>
<td>Joint Study</td>
<td></td>
</tr>
<tr>
<td>The report is disseminated in March 2013</td>
<td></td>
<td>Symposium focus on three industries</td>
<td>Professional Supports</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Discussions focus on logistics, ICT and auto parts industry</td>
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</tbody>
</table>
**Project Outcomes in 2012 (2/2)**

- **2012 APEC SMEMM**
  - We agree that enhancing SMEs' resilience to natural disasters is essential to establishing reliable supply chains in the APEC region. We support Chinese Taipei's multi-year project in collaboration with EPWG and other non-APEC stakeholders on promoting Business Continuity Plans for SMEs.
  - The two multi-year projects of the SMEWG currently being undertaken by the United States on business ethics and Chinese Taipei on disaster resilience should continue to work closely with other APEC fora including ACT, HWG, LSIF, EPWG, as well as ABAC and other non-APEC stakeholders.

- **2012 APEC AMM**
  - We note the efforts and encourage further work on promoting business continuity plans to enhance the reliability of supply chains. We also recognize that integrated disaster risk financing policies are part of overall disaster response preparedness.

- **2012 AELM**
  - Highlighting the need for greater coordination and better connectivity in disaster management, we support the idea of promoting and facilitating business continuity and resiliency planning especially among small and medium-sized enterprises.

**2013 Deliverables (1/2)**

- **FPN & Expert Meeting**
  - FPN SMEWG Experts (SMEWG)
  - Non-APEC Stakeholders
  - EPWG Expert Group

- **Policy Framework Model**
  - APEC SME Crisis Management Center will publish monthly reports of the Expert Group
  - Updated information to be announced in APEC SME Crisis Management Center Website: http://www.apecscmc.org/
2013 Deliverables (2/2)

• 2013 Milestones

12th March
Manila, the Philippines

Educational Guidebook to be finalized by June

5th-9th August
Taipei

The 2nd FPN & Expert Meeting
The 2nd Expert Meeting is held in Manila, as a back-to-back event of 36th SMEWG Meeting

SME BCP Guidebook
In cooperation with ADRC, the guidebook including checklists will be finalized by June 2013

Train-the-trainer Workshop
A 5-day train-the-trainer workshop will be held in Taipei, inviting seed trainers, BCP experts, and industry seniors

We look forward to your participation in 2013!

FPN & Expert Meeting (1/5)

The 2nd FPN & Expert Meeting

• Venue: New World Hotel (Makati City)
• Time: 12th March 9:00am ~ 5:00pm
• Participants: Experts and Focal Points from 17 economies
• Meeting Agenda:

09:00 – 09:30 Registration
09:30 – 09:50 Opening Session & Photo Session
09:50 – 10:15 [SESSION I] 2013 Deliverables of APEC Project on Improving Disaster Resilience of SMEs
10:15 – 10:30 Tea Break
10:30 – 11:30 [SESSION II] Summary Report on Promoting SME BCPs
11:30 – 12:10 [SESSION III] Best Practice Sharing on Disaster Resilience of SMEs
12:00 – 13:30 Lunch

Afternoon Session Moderator: Dr. Wei-Sen Li
Co-Chair of Emergency Preparedness Working Group

13:30 – 15:30 [SESSION IV] Reports on the Role of Government and Policy Frameworks in Assisting SMEs to Build BCP
15:30 – 15:50 Tea Break
15:50 – 17:10 [SESSION V] Reports from Important Stakeholders in APEC Region

We appreciate for all our members’ contributions!
FPN & Expert Meeting (2/5)

- Meeting Outcomes
  - 12 Experts and 38 Focal Points from 19 economies of both SMEWG and EPWG participated in the 2nd FPN & Expert Meeting
  - "Guidebook on Promoting SME Business Continuity Plans" are discussed in detail in the meeting for future usage

FPN & Expert Meeting (3/5)

- Key Conclusions from Survey on BCP Status of APEC SMEs
  - Potential Threats Vary by Economy
    - Potential threats vary depending on the situation: earthquakes, floods, fires, and blackouts are the major threats indicated.
  - BCP Development and Awareness Level of SMEs Is Still Low
    - Only 13% of SME respondents have a business continuity plan (BCP) while 34.8% are in the process of developing one. Almost half of respondents do not know anything about BCPs.
    - There is a substantial difference in the level of BCP awareness between respondents that have actually experienced a disaster and those that have not.
FNP & Expert Meeting (4/5)

- Key Conclusions from Survey on BCP Status of APEC SMEs

**Process of BCP Development**

- Many indicated that the reason they developed a BCP was:
  - To engage in good business practice
  - To develop a risk management strategy
- Many SMEs refer to general guidelines and effectively use various public support systems in the process of BCP development.

**Obstacles Identified**

- The main obstacles for many respondents that don’t have a written BCP are “lack of company BCP knowledge and expertise” and “lack of information needed for BCP development.”

FNP & Expert Meeting (5/5)

- **Guidebook on Promoting SME Business Continuity Plans**

**Introduction**

1) BCM Importance for SMEs
2) BCP Concept of SMEs

**Warming-up**

1) Scenario Checking
2) 10 steps based on ISO22301

**BCM Framework**

- Step 1: Determine BCM purpose, scope and team
- Step 2: Prioritized activities and Recovery Time Objective
- Step 3: Key resources necessary for prioritized activities
- Step 4: Risk assessment – know your tragic scenarios
- Step 5: Do not forget pre-disaster protection and mitigation
- Step 6: Emergency response to disaster
- Step 7: BC Strategies to early resumption
- Step 8: Be financially prepared
- Step 9: Exercise makes your plan functional
- Step 10: PDCA cycle for your continuous improvement
Train-the-trainer Workshop (1/5)

Time & Venue
- 5-9 August 2013 Sheraton Grande Taipei Hotel

Participants
- Project Experts from both SMEWG and EPWG
- Seed Trainers of Member Economies
- Government Officials
- Local/Regional SMEs
- SME Relevant Organizations

<table>
<thead>
<tr>
<th>Date</th>
<th>5 August</th>
<th>6 August</th>
<th>7 August</th>
<th>8 August</th>
<th>9 August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>Train-the-trainer Workshop (Open-to -Public)</td>
<td>Train-the-trainer Workshop (Closed Door)</td>
<td>Best Practice Visit for Workshop</td>
<td></td>
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</tr>
<tr>
<td>Attendees</td>
<td>400 people</td>
<td>60 people</td>
<td>60 people</td>
<td>60 people</td>
<td>60 people</td>
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Through utilizing the “Guidebook on Promoting SME Business Continuity Plans”, seed trainers will be taught to further disseminate core concepts of BCPs on ICT, logistic and auto parts industries to assist SMEs.

Train-the-trainer Workshop (2/5)

• Meeting Agenda – Day 1 (August 5)

<table>
<thead>
<tr>
<th>Time</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 – 09:30</td>
<td>Registration</td>
</tr>
<tr>
<td>09:30 – 09:45</td>
<td>Opening Remarks &amp; Photo Session</td>
</tr>
<tr>
<td>09:45 – 10:25</td>
<td>Keynote Speech I &amp; II</td>
</tr>
<tr>
<td>10:45 – 11:00</td>
<td>Tea Break</td>
</tr>
<tr>
<td>11:00 – 12:00</td>
<td>[SESSION I] SMEs and the Global Supply Chain Turbulence: \ Insights from Logistics Industry</td>
</tr>
<tr>
<td>12:00 – 14:00</td>
<td>Lunch</td>
</tr>
<tr>
<td>14:00 – 15:00</td>
<td>[SESSION II] Establishing Resilient Production Chains with BCPs: \ Insights from Automobile Industry</td>
</tr>
<tr>
<td>15:00 – 15:20</td>
<td>Tea Break</td>
</tr>
<tr>
<td>15:20 – 16:20</td>
<td>[SESSION III] Safeguarding Your IT Systems, Backing Up your Supply Chains: \ Insights from ICT Industry</td>
</tr>
</tbody>
</table>
### Train-the-trainer Workshop (3/5)

**Meeting Agenda – Day 2 & 3 (August 6-7)**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 – 09:30</td>
<td>Registration</td>
</tr>
<tr>
<td>09:30 – 09:45</td>
<td>Opening Remarks</td>
</tr>
<tr>
<td>09:45 – 10:30</td>
<td>Introduction Session</td>
</tr>
<tr>
<td>10:30 – 10:45</td>
<td>Tea Break &amp; Social Time</td>
</tr>
<tr>
<td>10:45 – 12:15</td>
<td><strong>SESSION I</strong> [Guidebook Step 1~2] Understand What You Can Do by BCP</td>
</tr>
<tr>
<td>12:15 – 14:00</td>
<td>Welcome Lunch</td>
</tr>
<tr>
<td>14:00 – 15:50</td>
<td><strong>SESSION II</strong> [Guidebook Step 3~4] Identify Your Priority and Available Resources</td>
</tr>
<tr>
<td>15:50 – 16:05</td>
<td>Tea Break</td>
</tr>
<tr>
<td>16:05 – 17:05</td>
<td>Scenario Discussion I Case Studies on BCP Applications</td>
</tr>
</tbody>
</table>

### Train-the-trainer Workshop (4/5)

**Meeting Agenda – Day 4 & 5 (August 8-9)**

#### Day 4 - 8 August

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 – 12:00</td>
<td><strong>SESSION VI</strong> Draft Session (Finalizing teaching manual and preparation for summary report)</td>
</tr>
<tr>
<td>12:00 – 14:00</td>
<td>Lunch Time</td>
</tr>
<tr>
<td>14:00 – 15:30</td>
<td><strong>SESSION VII</strong> Reporting on the Supplementary Training Materials for 3 Industries</td>
</tr>
<tr>
<td>15:30 – 15:40</td>
<td>Tea Break</td>
</tr>
<tr>
<td>15:40 – 16:40</td>
<td><strong>SESSION VIII</strong> How to Be Globally Competitive and Benefit from BCP</td>
</tr>
<tr>
<td>16:40 – 16:50</td>
<td>Q&amp;A</td>
</tr>
</tbody>
</table>

#### Day 5 - 9 August

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:30 – 11:30</td>
<td><strong>SESSION IX</strong> Practical Application Session (Venue: National Science and Technology Center for Disaster Reduction)</td>
</tr>
<tr>
<td>12:00 – 14:00</td>
<td>Farewell Lunch</td>
</tr>
<tr>
<td>14:00 – 17:00</td>
<td><strong>Best Practice Visit</strong></td>
</tr>
<tr>
<td>14:00 – 15:30</td>
<td>Visit to an SME with developed BCP based in Taipei</td>
</tr>
<tr>
<td>15:30 – 17:00</td>
<td>Visit to Taipei 101 (earthquake proof and windproof structure)</td>
</tr>
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Train-the-trainer Workshop (5/5)

- Cooperation with Related Organizations

<table>
<thead>
<tr>
<th>Australia</th>
<th>Japan</th>
<th>New Zealand</th>
<th>Philippines</th>
<th>Chinese Taipei</th>
<th>Thailand</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>APEC RSE Section</td>
<td>ADRC</td>
<td>Resilient Organizations</td>
<td>Uni. of the Philippines Los Banos</td>
<td>NCDR</td>
<td>ADPC</td>
<td>EWC</td>
</tr>
</tbody>
</table>

Seeking for Your Supports to Our Event on August

Active Participation

Nominate 3 Seed Trainers from ICT, Logistics and Auto Part Industry of Your Economy

Registration Open for member economies

Public-Private Partnership Facilitation

Recommend Related Organization/Participants of Your Economy for Further Cooperation

Expected Outcomes

- The 2nd FPN and Expert Meeting is held on 12th March to SME Crisis Monitor, Joint Research Study, Policy Framework Model (PFM), Guidebook, and Train-the-Trainer Workshop.

- To establish and finalize SME BCP guidebook that will ultimately serve as a tool for SMEs to develop BCPs.

- To host a Train-the-trainer workshop, where seed trainers from member economies will learn how to utilize SME BCP guidebook to train local SMEs in their economies.

- To establish a disaster policy framework model that summarize and compile findings from the joint study conduct by the expert during the first stage (2012). The PFM will serve as a guide for APEC governments to reference in assisting SMEs to cope with natural disasters.
Upcoming Events in 2014

Appreciation for Indonesia’s Supports
Seeking for 2 More Volunteer Economies

3 Training Workshops

High Level Policy Dialogue

We would like to host the High Level Policy Dialogue Meeting in Chinese Taipei in 2014, inviting senior SME officials, experts, SMEs and SME-related agencies to raise common awareness over APEC region and shed light to further directions of efforts in the future.

Thank You for Your Attention!
We seek for your supports and participation on 5th ~9th August!
Annex 1. APEC SME Crisis Management Center

APEC SCMC is to help SMEs facing global challenges!

Annex 2. Project Milestones

- **2011/3** Project concept initiated at SOMI
- **2011/5** Project endorsed by all members at the 32nd SMEWG meeting
- **2011/11** Project concept note approved
- **2012/2** Project proposal approved
- **2012/4~10** Joint study in collaboration with EPWG and other stakeholders
- **2013/3** 2nd Focal Point Network Meeting and Expert Meeting
- **2011/9** 5th Senior Disaster Management Officials Forum
- **2011/11** APEC High Level Policy Dialogue on Disaster Resiliency
- **2011/12** Workshop on Business Continuity Plan and Emergency Preparedness
- **2012/7/11~12** Focal Point Network Meeting and Expert Meeting
Annex 3. Project Framework

Phase I (2012)
- Conduct joint study in collaboration with experts on monitoring disaster related issues in APEC region
- Conduct a survey assessing the current status of Business Continuity Plans in the APEC region
- Establish focal point network
- Hold a focal point network (FPN) and the first expert meeting

2012 Deliverables
- Guidelines on promoting SME business continuity plans to strengthen reliability of supply chains
- Draft of the educational guidebook for SMEs

Phase II (2013)
- Develop policy framework and business continuity plans based on the joint study of phase I
- Hold the second expert meeting in August
- Finalize the educational guidebook for training purposes
- Hold a Workshop to train-the-trainers in October, 2013

2013 Deliverables
- Finalized educational guidebook for SMEs
- Educated seed trainers to further disseminate project outputs

Phase III (2014)
- Hold the second stage training workshop with three volunteering economies in May
- Assist APEC economies to build their own policy frameworks and business continuity plans of their SMEs
- Hold the high level dialogue on improving natural disaster resilience of SMEs in August

2014 Deliverables
- Further dissemination by three training workshop
- High level dialogue to increase the awareness of disaster preemptive mechanisms


In collaboration with ADRC, a survey was conducted to understand the current status of BCP adoption in the APEC region in 2012.

Key conclusions drawn from the survey’s findings:

1. Raise public awareness on BCP especially to SMEs
   - Raise awareness by sharing good practice of utilizing BCP
   - Build close relationships with relevant communities and facilitate PPP

2. Bottlenecks identified for BCP development
   - Lack of BCP leadership among top management
   - Lack of skills and knowledge
   - Difficulty in securing human resources
   - Low awareness among employees
   - Lack of budget for BCP tasks

3. Expand effective public support systems and resources available to SMEs
   - Enhancing the BCP awareness of SMEs by providing disaster information.
   - Providing skills and knowledge by using supply guidelines, standards, and toolkits.
Annex 5. Joint Study in 2012

**Australia**
- Don Gunasekera
  - Maintaining Competitiveness of SMEs – Australia

**Japan**
- Takahiro Ono
  - Current disaster resilient status of SMEs and policy recommendations in Japan

**New Zealand**
- Erica Seville
  - Improving the resilience of SMEs: Policy and Practice in New Zealand

**Philippines**
- Salvador P. Catelo
  - Enhancing MSMEs’ Resilience to Natural Disasters: The Case of the Philippines

**Chinese Taipei**
- Wei-Sen Li
  - Aids of Information and Communications to Affected Business

**Thailand**
- Aslam Perwaiz
  - SMEs in Disaster Preparedness-Resilient Investment for Resilient Communities in Post-Thailand 2011 Floods

**United States**
- Allen Clark
  - Policy Recommendations on SME Disaster Resilience: US Agricultural SMEs

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Annex 6. Monthly Reports

**APEC SME Monitor**

- Global Trends
- SME Development
- SME Challenges
- SME Policy
- SME News
- Expert Perspectives

Welcome to APEC SCMC Website
http://www.apecscmc.org

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