



**Asia-Pacific
Economic Cooperation**

2022/SOM3/EPWG/011
Session 4.1.1 (3)

Recovery and Resilience: Risk-Smart Business for SMEs in the Post COVID-19 Era (EPWG 06 2021A)

Purpose: Information
Submitted by: China



**18th Emergency Preparedness Working Group
Meeting
Chiang Mai, Thailand
18 August 2022**

Recovery and Resilience: Risk-smart Business for SMEs in the Post COVID-19 (2022-2023)

APEC-funded Project Proposed by EPWG China

01

Background and Objectives

Background

- If the global community is to improve the lives and livelihoods of people in emerging and developing economies, risk in small and medium enterprises (SMEs) must be tackled (UNDRR, 2020).
- As the backbone of APEC economy, the business community, especially small and medium enterprises (SMEs), contributed enormously to the COVID-19 prevention and control but also suffered from the continued adverse impacts of the pandemic.
- Decades of development gains may be wiped out in an instant unless the development is made resilient, risk-informed and climate-smart.

Objectives

- The project focuses on SMEs from the following three perspectives:

First, risk-informed decision making at government level to support SMEs build resilience against future risks and promote their sustainability in the post-pandemic era.

Second, risk identification, monitoring and assessment tools or methodology at technical agency level to provide evidence-based emergency preparedness recommendations for the society and the industry, including SMEs.

Third, resilience capacity building at SME level to strengthen supply chain, improve risk management, and raise awareness for risk-smart business.

Capacity Building

- The project seeks to address the following capacity building issues:

First, improved understanding of the adverse impacts of the COVID on SMEs;

Second, possible and applicable suggestions for SMEs to not only build back better from such risks as the COVID, but also achieve sustainability against future major disasters and public health contingency;

Third, raising awareness of policy makers, practitioners, SME leaders and staff about risk-informed decision making, emergency preparedness and risk-smart business.

02

Major Events and Outputs

Major Events and Outputs

- A Two-day Workshop on Risk-smart Business for SMEs in the Post COVID-19 (end of October, hybrid)
- Discussion points include:
 - a. The importance of raising risk awareness and enhancing risk knowledge of government authorities so as to make risk-informed decision and investment;
 - b. How the combined forces of disasters and public health contingency affected the business community, especially SMEs, and how they could build back better;
 - c. SMEs participation in the post COVID-19 risk-resilience building;
 - d. With guidance from government and technical agencies, how business continuity plans and business investment could adapt to the new normal of interconnected and mounting disaster risks;
 - e. Science, technology and innovation (STI) applied to promote resilient and risk-smart business recovery;
 - f. Economic incentives, disaster risk financing and risk transfer tools to help SMEs prevent, prepare for, respond to and recover from such risks as natural disasters and public health contingency.

Major Events and Outputs

- Best Practices Guideline
 - a. Risk-informed Decision Making Framework for Resilience (self-funded)
 - b. Research Report on Methodology or Tools for Risk-informed Preparedness (self-funded)
 - c. Recommendations for SMEs to go forward (APEC-funded)

Risk-informed Decision Making Framework for Resilience

1. Global Shift in Disaster and Risk Issues
 - 1.1 Improved Understanding on the Issue of Disasters and Risks
 - 1.2 Creating an Enabling Environment for Integration of Risk Concerns into Development
 - 1.3 Reducing Disaster Risks for Sustainable Development
2. Current Status of APEC on Disaster and Risk Issues
 - 2.1 Disasters and their Impact on APEC Members
 - 2.2 APEC Political Will for Disaster and Risk Reduction
 - 2.3 Shifting Towards APEC Resilient and Sustainable Economies

Risk-informed Decision Making Framework for Resilience

3. Risk-informed Decision-making Framework

3.1 Goal

3.2 Specific Objectives

3.3 Hazards Concerned

3.4 Targeted Groups

3.5 Steps of the RD Framework: identifying the needs and context; collecting information; analysing alternative options; evaluating evidence; determining a risk-informed decision; implementing a risk-informed decision; monitoring and evaluating a risk-informed decision implementation; documenting the implementation of risk-informed decisions for the future

Risk-informed Decision Making Framework for Resilience

4. Enabling Environment for Implementation of an RD Framework

4.1 Public understanding

4.2 Government Policy

4.3 Legislation

4.4 Risk Governance

4.5 Accountability

4.6 Stakeholder Engagement

4.7 Community Participation

Research Report on Methodology or Tools for Risk-informed Preparedness

1. Overview of natural hazards and relevant policy measures in APEC region
2. Principles and objectives: regulations, technical standards and procedures, pilot projects or trainings, systemic thinking, shared responsibility, dynamic modeling
3. Key actions: Hazard, Vulnerability, Exposure, Capacity of Response and Recovery
4. Checklist: risk mapping, early warning and risk monitoring, decision supporting methods, communication tools

Recommendations for SMEs to go forward

1. How to understand business resilience, especially SMEs resilience against disasters?
2. A framework for SMEs disaster resilience building
3. Best practices and challenges
4. Recommendations for the way forward

