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

Purpose: Information
Submitted by: Chinese Taipei
The 33rd APEC SMEWG Meeting

Item 11.2.6
Improving Natural Disaster Resilience of APEC SMEs to Facilitate Trade and Investment

Chinese Taipei
December 15, 2011

Outline

• Background
• Objectives
• Work Plan
• Schedule
• Cooperation between SMEWG and EPWG
• Conclusion
I. Background

Direct Impact:
Properties and personnel

Two principal impacts of natural disasters

Natural disaster have become a key factor affecting SME’s operation in the APEC region

SMEs usually are lack of the ability to respond to natural disasters, such as the flood in Australia and earthquake/tsunami in Japan

Indirect Impact: Economy and business, such as disruption of supply chain, the shortage of key components, surge of commodity prices

I. Background

1. Chinese Taipei proposed the Multi-year Project (MYP) in March in the SOM I meeting and echoed by member economies.
2. This project endorsed by all APEC members in the APEC 32nd SMEWG Meeting in May 2011, in Big Sky, Montana.
3. In 2011 SMEMM, Ministers welcomed Chinese Taipei’s proposal to explore collaboration on natural disaster preparedness between the SMEWG and the EPWG.
5. Approved by CSOM in November 2011
6. APEC High Level Policy Dialogue on Disaster Resiliency addresses the importance of providing SMEs with tools to help them prepare.
I. Background

The linkage with APEC-SCMC

Duration: 2012-2014

This project will be implemented by APEC SME Crisis Management Center (SCMC), and will involve all the APEC member economies.

II. Objectives

I. To establish the network of natural disaster preparedness for APEC SMEs to assist SMEs of member economies that hit by natural disasters.

II. To study and explore demands of APEC SMEs for natural disaster preparedness, and to collect the best practices and develop guidelines of emergency response.

III. To train the APEC SMEs with regard to their capabilities of responding to natural disasters, and to monitor the disasters’ influences on the economy.
III. Work Plan

The first approach

PFMs
– to build a better policy environment for SMEs’ disaster preparedness through formulating the policy framework models (PFMs) of assisting SMEs in natural disaster management.

The second approach

BCPs
– benchmarking business continuity plans (BCPs) in the three industries, which are important to the APEC region and seriously damaged by past major natural disasters.

III. Work Plan

Main task | Phases | Summary
--- | --- | ---
Three Phases | Phase I: (2012) Preparation and Research | • Establish the Focal Point Network (FPN) and hold a focal point network meeting. • Conduct joint study and survey • Hold first Expert Meeting.
| Phase II: (2013) Formulation of PFMs and BCPs | • Based on the research result of the Phase I, develop PFMs and BCPs • Hold the second Expert meeting • Hold the Workshop for training the trainers | |
| Phase III: (2014) Application of PFMs and BCPs | • Hold the second stage training workshops • Assist APEC economies to build their own policy frameworks • Hold the High Level meeting |
III. Work Plan

1. Establish the focal point network

2. Study and explore demands of APEC SMEs

3. Monitor the impacts of disasters on the economy

4. Collect best practices

5. Develop guidelines

6. Provide training courses

7. Hold high-level meeting of APEC SMEs' natural disaster preparedness

1. Focal Point Network

- Establish Focal Point Network
  [1] Members of the FPN will come from both SMEWG and EPWG.
  [2] Timely inform other economies the occurrence of a natural disaster through this network.
  [3] To call for assistance from other economies in providing experience and suggestions.

- Hold the focal point meeting in July 2012 in Taipei, inviting EPWG members to join.
2. Joint-effort Study

- Current status of natural disaster management and needed assistance of APEC SMEs must be surveyed.

- Conduct joint research with the economies experiencing major natural disasters, such as Thailand, Australia, Japan, New Zealand, Chinese Taipei, and the U.S.

- Two methodologies:
  1. A survey of all APEC members.
  2. A study of economic losses and predicament suffered by SMEs and their responses in recent major natural disasters.

3. Monthly Economic Monitor

- Economic crises caused by natural disasters, such as disruption of supply chains, short of raw materials, and inflations, are all key points for monitoring of APEC SME Crisis Management Center.

- The SCMC will continue monitoring the influences of economic crisis over the SMEs caused by natural disasters around the world, and the monitoring results will be reported in the monthly newsletter.
4. Best Practices Sharing

- Invite members which have suffered natural disasters to collect practices.
- Develop formal **best practice BCPs** especially for SMEs in ICT, logistics and auto parts industries.

5. PFM & BCPs Guidelines

- Refer to the research results mentioned, existing literatures and mechanisms employed by other international organizations.
- Provide SMEs with principles and checklists of improving disaster resilience, including responding to the disasters’ impacts on their business operation.
- Hold an expert meeting to initiate the PFM, BCP and finalize the guidelines.
6. Training Workshops

• Phase I: The training workshops will be done by a Train-the-Trainer process and held to guide SMEs to develop tailor-made BCPs step by step to accommodate their business needs.

• Phase II: We will also cooperate with voluntary economies to build their own policy frameworks by utilizing PFM built by this project.

7. High-level Meeting

• Convene high level officials and distinguished experts in this area to discuss the way to assist SMEs in responding to natural disasters.

• Enterprises are encouraged to participate in this meeting.

• APEC SME Crisis Management Center will collect outcome and compile a book for reference.
IV. Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Content</th>
</tr>
</thead>
</table>
| 2011 | [1] Report to the 32nd SMEWG meeting in May  
|      | [3] Submit the CN and apply for APEC funding in BMC session III  
|      | [4] Accepted in CSOM meeting in Nov 2011 |
| 2012 | [1] Establish the focal point network  
|      | [2] Hold meeting of focal points in Taipei  
|      | [3] Study demands of APEC SMEs for responding to natural disasters  
|      | [4] Hold Expert Meeting (First Stage) in Taipei  
|      | [5] Monitor the impacts of disasters on the economy, and collect the best practices |
| 2013 | [1] Develop PFMs & BCPs guidelines in the ICT, logistics and auto parts industries  
|      | [2] Expert Meeting (Second Stage)  
|      | [3] Hold training sessions (First Stage)  
|      | [4] Monitor the impacts of disasters on the economy, and collect the best practices |
| 2014 | [1] Hold High-Level meeting of APEC SMEs’ response to natural disasters  
|      | [2] Hold training sessions (Second Stage)  
|      | [3] Monitor the impacts of disasters on the economy and collect the best practices |

V. Cooperation between SMEWG and EPWG

This project proposal was jointly created and circulated by SMEWG and EPWG. The work items listed above will all be carried out by both working groups in every step of the way.

EPWG will help establish the focal point network, participate in the research from initial design to final analysis, join the expert group to finalize BCPs and PFMs, as well as provide best practices and advice on agenda of the high level meeting and curriculum of the training courses.
VI. Conclusion

Cooperation among APEC Sub-Fora
- EPWG: Help EPWG to achieve the mandates on emergency preparedness.
- TPTWG: On formulating BCPs for logistics industry.
- ECSG: On formulating BCPs for ICT industry.
- Automotive Dialogue: On formulating BCPs for Auto parts industry.

Cooperation among non-APEC Stakeholders
- ABAC: give comments and suggestions to the project proposal and participate in the survey and meetings.
- ADRC: recommend experts and trainers; share information; provide consultation to the study; and participate in drafting BCPs and PFMs.

We believe this MYP will demonstrate that Cross-fora collaboration and implementation will provide the best platform to build up linkage between business management and disaster risk management.

The only constant in life is change, we can not predict the future, but we can do our best to help our SMEs get prepare!

Thank You

For more information: http://www.apecscmc.org
2011 Warm Up Activity

Workshop on Business Continuity Plan and Emergency Preparedness on the Large-Scale Urban Earthquake