

BUSINESS & SUSTAINABLE DISASTER RECOVERY

REBUILDING MORE RESILIENT COMMUNITIES



CSR ASIA

ACKNOWLEDGEMENTS

This publication was commissioned by Prudence Foundation and prepared by CSR Asia. It was informed by discussions amongst the participants at the Disaster Preparedness Forum held in Manila on 22 July 2014 (“The Forum”). The Forum brought together thought leaders from the business, government, humanitarian and development sectors to discuss opportunities for cooperation on disaster recovery with a focus on building capacities well before a disaster occurs.

The Disaster Preparedness Forum 2014 and the present paper build on last year’s Forum held in Jakarta, Indonesia, and the 2013 White Paper “Business and Disaster Preparedness – Helping Communities Prepare for Effective Response”.

CSR Asia and Prudence Foundation thank the speakers and participants of the Disaster Preparedness Forum 2014 for their valuable contributions to the thought-provoking discussions at the Forum which have informed the content of this publication.

PREFACE

Disaster recovery is about supporting communities overcoming devastation and helping them to become more resilient to future hazards.

This is one of a number of reports that CSR Asia and its partners have produced about the role of the business sector in disaster preparedness, resilience, response and recovery. Our work not only demonstrates that there is an important role for businesses in supporting humanitarian assistance associated with disasters, but that by using their particular skills, knowledge and assets, businesses can create opportunities and solutions for the communities where they engage and enhance their own economic performance.

Since the poor are affected first and worst by disasters, it is important that we carefully examine the help that we can provide to vulnerable and marginalised people. This report is therefore also about poverty alleviation, job creation, increasing access to markets, including poor people in value chains and ensuring secure land rights. This helps vulnerable households diversify and strengthen their livelihoods and make the investments needed to reduce risks from disaster-related asset loss and damage. Vulnerable communities also require affordable products and services to better prepare for and recover from the adverse impacts from natural disasters including access to savings, remittance, credit and insurance.

In this report we demonstrate how businesses can engage in various disaster recovery initiatives, work in partnership with the development and humanitarian sector, advocate change and benefit from engaging with vulnerable communities. It demonstrates how the business sector can be more strategic in using financial resources, skills, products, services, influence and volunteers.



A handwritten signature in black ink, appearing to read 'Richard Welford', written in a cursive style.

Richard Welford

Chairman, CSR Asia

Our extensive work on responsible and inclusive business practices demonstrates considerable synergy in ensuring that the most vulnerable groups are better equipped to cope with disasters and rebuild their lives in a way that provides new economic opportunities and reduces that vulnerability. We strongly believe that the business sector needs to look beyond reactive contributions to disaster relief efforts and invest in the sustainable recovery and development of local communities by including them into value chains and markets. This holds the opportunity to create value for both vulnerable communities and businesses themselves.

MESSAGE FROM PRUDENCE FOUNDATION

As a leading insurer and asset manager in Asia, Prudential is committed to the health, safety and prosperity of all of the communities in which we operate. This commitment is visible in the passion and the spirit of thousands of Prudential employees, agents, and partners throughout the Asian region.

No subject is more core to safety of communities in Asia than disaster preparedness and recovery. In July 2014, Prudence Foundation, our regional charitable arm, was pleased to sponsor the second annual Disaster Preparedness Forum, held in Manila. Like the first Disaster Preparedness Forum held in Jakarta in 2013, this year's Forum engaged government, civil society and leading business organisations in vibrant discussions about the tremendous need for more focus and cooperation on disaster preparedness, and also the urgency of turning that cooperation into action in more and more communities. From the Manila discussions, a number of strategic and practical themes and ideas emerged, many of which are captured in this report. To mention a few:

- That preparedness and recovery are intimately linked. Good preparedness, including evacuation and shelter, makes disaster recovery easier - if people, including those with key skills for recovery are safe and cared for when a disaster strikes, communities are able to rebuild their lives and livelihoods much more quickly.
- Institutional architecture matters. Having accountable local authorities with solid and tested plans makes disaster preparedness sustainable. The example of Albay, in the Philippines, was cited at the Disaster Preparedness Forum and is covered in this report. Such examples are worthy of study and consideration by other municipal authorities, and businesses can be partners in supporting this.



Donald P. Kanak

Donald P. Kanak

Chairman, Eastspring Investments,
Prudential Corporation Asia
Trustee, Prudence Foundation

- All sectors of societies have a critical role to play, including non-profit organisations, business and also the media. One Forum theme was that the spreading of good news could be very helpful. We find focus is often on the failures to prepare for disaster. It is also important to share widely the encouraging improvements, and best practices, so that the lessons learned when disasters do not become disastrous, can be copied and improved upon by other communities.

Via those themes and others in this paper, we hope to see a richer public-private dialogue, and stronger cooperation, so that more communities will be disaster-ready, and able to recover as quickly as possible when disasters occur.

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EXECUTIVE SUMMARY

This paper was informed by discussions at the Disaster Preparedness Forum 2014 (“The Forum”), which brought together thought leaders from the business, media, government and humanitarian sectors. It outlines opportunities for collaborative efforts in disaster recovery between these sectors with a view to providing a pathway to a more sustainable and resilient development.

This publication is structured around four sections:

- I *Building capacities for disaster recovery is everyone’s business* outlines the business case for corporate engagement in collaborative efforts with government and humanitarian agencies and highlights the need to build preparedness for effective response and recovery.
- II *Driving business sector engagement in disaster recovery* outlines the key barriers for strategic business engagements in recovery and suggests ways in which all sectors can help overcome them.
- III *Areas for strategic business engagements* highlights opportunities for business engagement and lists recommendations for business action in four key areas: sustainable reconstruction, livelihood recovery, leveraging local markets, and recovery of micro-, small-, and medium-sized enterprises.
- IV *A call for action* concludes that concerted efforts are needed to help disaster-prone economies in the Asia-Pacific region better withstand and recover from recurrent natural hazards.

Key Messages

01 **Building capacities for disaster recovery is everyone’s business**

The rising number of natural disasters in the Asia-Pacific has labelled the region as the most disaster-prone region in the world. Over the past decade, approximately 2.5 million people in the region have been affected by disasters. The impact on the economy and GDP of affected nations has often been significant. For example, the Tohoku earthquake and tsunami in March 2011 resulted in US\$210 billion of economic losses, whilst the floods in Thailand later that year resulted in losses of US\$46.5 billion, representing 12.7 per cent of the country’s GDP¹.

The Forum held in Manila focused on the role of the business sector in disaster recovery. It pointed out the important link between disaster recovery and disaster preparedness as mutually reinforcing disaster management strategies: disaster preparedness not only helps protect lives, but also helps to reduce economic losses and the cost for recovery. According to the International Federation of Red Cross and Red Crescent Societies (IFRC), for every dollar spent on disaster preparedness, four dollars can be saved on disaster response and recovery.

The forum highlighted that disaster recovery should be not just about building back better, but building back smarter – to make communities and

¹ Heyzer, N., Siriman, S., Abe, M.; Andersson, P. (2013) “Building Resilience to Natural Disaster and Major Economic Crisis”. United Nations Publication, retrieved from <http://www.zaragoza.es/contenidos/medioambiente/onu/983-eng.pdf>

the systems they rely on more resilient to future hazards and doing so in the most effective and sustainable way possible.

The business case for leveraging unique business skills, assets, and networks to help build capacities for sustainable and effective recovery interventions is clear:

- Protect supply chains, markets, consumers, employees and infrastructure that might be located in disaster-prone areas with limited public resources to cope with and recover from adverse impacts
- Tap into business opportunities by co-creating new products and services in collaboration with humanitarian organisations
- Prove commitment as a corporate citizen by not only making philanthropic contributions but by becoming part of the solution. This can in turn build brand reputation, improve staff motivation and retention, influence stakeholder perceptions and government relationships.

The Forum identified that close collaboration between business, humanitarian and government sectors is essential in order to ensure communities and economies are built back better and smarter.

02 Driving business sector engagement in disaster recovery

The humanitarian and government sectors play a critical role in mobilising and informing strategic business engagements. They need to be more pro-active in guiding corporate contributions and engagements to areas where a business' core competencies can be put to best use in meeting community needs. All sectors need to help break down the barriers of such strategic collaborations, the most prominent barriers being applicable to all three sectors and including:

- Lack of awareness, information and coordination
- Mistrust and short-term thinking
- Differences in language and ways of working

3.0 Areas for strategic business engagement

3.1 Supporting sustainable reconstruction

In the region’s disaster-prone economies the recovery phase has to serve the dual purpose of restoring communities and improving pre-disaster conditions to build resilience against future hazards. The business sector plays an important role in informing reconstruction efforts through providing technical expertise, manpower, and resources as well as innovative capacity in developing new building designs and materials.

3.2 Supporting livelihood recovery

To reinitiate livelihoods as soon as possible after a disaster the business sector can help replace and rebuild productive assets including equipment, seeds, livestock and business premises. The business sector can further support the strengthening of livelihood strategies and the creation of income-generating opportunities through the provision of technical training, business development counselling and the introduction of new technologies as well as through supporting market access and land rights.



3.3 Leveraging local markets in recovery

Beyond the direct detrimental impacts of natural disasters on local markets, relief and recovery efforts can further aggravate market disruptions and result in distortion and prolonged reliance on aid. In collaboration with humanitarian organisations the business sector has great potential to make humanitarian assistance more effective and efficient. Locally established businesses can help inform market-based interventions that use market systems to meet recovery needs or particularly aim to rehabilitate parts of local markets.

3.4 Supporting recovery of micro-, small- and medium-sized enterprises

Micro-, small-, and medium-sized enterprises (MSMEs) are important to local economies and represent critical elements in the value chain of multi-national corporations (MNCs) as customers, distributors or producers.

Studies have shown that for every dollar invested in a SME, twelve additional dollars are generated for the local economy, through increased wages, tax revenues, and market efficiency.² Furthermore, disruptions affecting SMEs can have severe consequences for MNCs, as seen with the 2011 Japan earthquake and tsunami, for example, when the temporary shut down of a small manufacturer affected some of the world's major auto companies.

Through inclusive business practices MNCs can support the sustainable recovery of MSMEs, thereby supporting livelihood rehabilitation of affected communities.

4.0 A call to action

With this paper we aim to outline an agenda for action that drives concerted efforts by all sectors to reduce disaster risks, build preparedness for effective response and support sustainable recovery. The business, humanitarian and government sectors all play a role in identifying and leveraging each other's core competencies and comparative advantages in order to help disaster-prone economies in the Asia-Pacific better withstand and recover from natural hazards.



² Ashoka Changemakers (2013) "Building the Businesses that Rebuild After a Disaster". Retrieved from <http://www.changemakers.com/g20media/post-disaster>

01 Building capacities for disaster recovery is everyone's business

The rising number of natural disasters in the Asia-Pacific has labelled the region as the most disaster-prone region in the world. Over the past decade, approximately 2.5 million people in the region have been affected by disasters. With close to 800,000 fatalities in the last decade and an increase in economic damages, there is growing concern for the region's capacities to cope with disasters.³

The impact of economic losses on the national Gross Domestic Product (GDP) is often immense. For example, the Tohoku earthquake and tsunami in March 2011 resulted in US\$210 billion of economic losses; whilst the floods in Thailand later that year resulted in losses of US\$46.5 billion, representing 12.7 per cent of the country's GDP. The World Bank estimates annual economic losses from disasters to be as high as 0.8 per cent of the national GDP in the Philippines and Vietnam and 0.9 per cent in Myanmar.

Natural disasters have the potential to significantly affect livelihoods and undermine development progress, if not actually reverse development gains. Micro-, small-, and medium-sized enterprises (MSMEs) are particularly at risk as they have limited resources to recover from damages and losses. This can have far reaching consequences as MSMEs employ more than one-third of the global population⁴ and also form important parts of multi-national companies' (MNCs) supply chains.



The Forum provided some key insights into disaster recovery, none more so than the importance of recognising the link between disaster recovery and disaster preparedness.

Disaster recovery and preparedness are mutually reinforcing disaster management strategies – preparedness reduces recovery costs and can reduce the risks of adverse economic effects; disaster recovery can strengthen preparedness capacities and reduce vulnerabilities to future hazards. According to the International Federation of Red Cross and Red Crescent Societies (IFRC), four dollars can be saved on disaster response and recovery for every dollar spent on disaster preparedness.⁵

³ Heyzer, N., Siriman, S., Abe, M., Andersson, P., (2013) "Building Resilience to Natural Disaster and Major Economic Crisis". United Nations Publication, retrieved from <http://www.zaragoza.es/contenidos/medioambiente/onu/983-eng.pdf>



Furthermore, the Forum highlighted that disaster recovery is not just about building back better, but also building back smarter – to make communities and the systems they rely on more resilient to future hazards and doing so in the most effective and sustainable way possible.

Effective preparedness builds on the enforcement of important risk reduction strategies in times before a hazard occurs as well as during the recovery phase. This includes adequate building codes and spatial planning, viable insurance and micro-credit markets, contingency planning, and pre-coordination between important stakeholders.

As mentioned above, the dramatically increasing costs from disasters in the region strain national budgets, in many cases diverting financial resources from poverty alleviation and sustainable development funds to meet short-term needs. In the face of recurrent natural hazards disaster recovery can only be successful and sustainable if it reduces vulnerabilities by creating better livelihood opportunities in the long-term.

The business sector plays an important role in building capacities for effective and sustainable recovery and there is a clear business case for engagements in this area:

- **Protecting value chains:** Key industry sectors depend on small-scale producers in the region's disaster-prone economies as important parts of their international value chains. Agricultural sectors in particular, include a range of internationally traded goods produced and processed by smallholders and small businesses highly vulnerable to natural hazards including tea, cocoa, bananas, sugar and coconut products. Numerous businesses work with small and micro-enterprises in their distribution and retail networks. How well small-scale producers and enterprises respond to a disaster, can have significant repercussions for lead businesses.

⁴ International Finance Corporation World Bank Group (n.d.) "Micro, Small and Medium Enterprise Country Indicators" Retrieved from http://www.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Financial+Markets/msme+finance/sme+banking/msme-countryindicators

⁵ Zambello G., 2013: Disaster preparedness saves lives and saves money [online], <http://www.ifrc.org/en/news-and-media/news-stories/international/disasters-preparedness-saves-lives-and-saves-money-61204>

- **Protecting markets, consumers, employees and infrastructure:** Natural disasters have the potential to disrupt local markets and thus the consumer and employee base of businesses invested in the region. With local income sources disrupted, natural disasters can diminish purchasing power and disrupt income-generating activities. The destruction of public infrastructure can significantly affect distribution networks. As a result natural disasters can lead to a decrease in demand and supply of goods and services.
- **Tapping into business opportunities:** In many cases, helping local markets and communities recover and become more resilient can provide commercial opportunities such as the exploration of new market segments, products and services. Poor and low-income groups are at greater risk from disasters as they live in high-risk or remote areas, in poorly built houses, rely on weather sensitive sources of income and lack access to financial and public services. The business sector has the potential to reduce vulnerabilities by making products, technology and services available at affordable costs that can strengthen income-generating activities and improve livelihoods.
- **Demonstrate good citizenship:** Supporting the sustainable recovery of communities, markets and economies can demonstrate a firm’s commitment as a responsible corporate citizen and thereby build brand and reputation, improve staff motivation and retention, influence stakeholder perceptions and government relationships. Proving a company’s commitment and abilities in helping local communities is becoming an important strategic business issue. A 2013 survey of more than 10,000 citizens in ten countries found that 87 per cent of global consumers believe companies must play a role in natural disaster response and long-term recovery. A majority thinks that corporations are better



⁶ The 2013 Cone Communications Disaster Relief Trend Tracker is an online survey among a demographically representative sample of 10,287 adults in ten 10 countries, including the United States, Canada, Brazil, the United Kingdom, Germany, France, Russia, China, India and Japan. For more information see <http://www.conecomm.com/2013-disaster-relief>

able to effectively respond to disasters than government agencies and that their engagement needs to go beyond the provision of funds and instead should leverage unique business assets.⁶

Localised natural disasters can have far-reaching impacts across industry sectors and beyond geographical borders. While the poor are hit first and worst, disaster impacts can trickle down value chains and represent significant business risks. The business case for restoring economic strength and building a more resilient socio-economic environment in the region's disaster-prone economies is clear.



Starbucks

In its 2013 Annual Report Starbucks noted that supply and price of coffee beans can be affected by multiple factors such as the weather and natural disasters in producing countries, and that future price risks can only partially be mitigated through purchasing practices and hedging activities. It is against this background that Starbucks works with Conservation International in Sumatra, Indonesia, to help increase the capacity of coffee farmers to better respond to the effects of climate change, optimise coffee production and increase household income.

Sources:

Starbucks Corporation (2014) "Fiscal 2013 Annual Report"
Retrieved from <http://investor.starbucks.com/phoenix.zhtml?c=99518&p=irol-reportsannual>

Kissinger, G. (2013) "Starbucks and Conservation International case study" EcoAgriculture Partners, on behalf of the Landscapes for People, Food and Nature Initiative. Retrieved from: http://landscapes.ecoagriculture.org/documents/files/reducing_risk_starbucks_and_conservation_international_case_study.pdf

02 Driving business sector engagement in disaster recovery

The business sector is well placed to support effective and sustainable disaster recovery of communities, markets and economies. Modes of strategic business engagement in recovery build on core business strengths in order to increase local capacities for recovery and preparedness.

Despite these opportunities business sector involvements are predominantly addressing short-term needs in the immediate aftermath of a natural disaster and are often limited to the *pro-bono* provision of funds, goods and employee volunteers. The key barriers restricting more strategic, long-term engagements are well documented⁷ and were also highlighted by the participants of the Disaster Preparedness Forum 2014. The most prominent ones are further discussed below and recommendations are made on how to best overcome these. Overall, participants at the Forum felt that the government and humanitarian sectors play a critical role in addressing these barriers and facilitating more effective business engagement.

Overcoming the lack of awareness, information and coordination

The Forum pointed out that the business sector does not necessarily understand preparedness and recovery needs and how to best leverage its expertise, resources and networks. Information sharing, coordination, and early collaboration between all stakeholders are essential in the disaster preparedness and recovery phases, yet these are all areas where much more can be done.

Recommendations identified during the Forum include:

- The humanitarian sector should
 - Be more pro-active in informing business contributions and guiding these towards areas where business resources can be most effectively leveraged
 - Help identify and map the unique competencies and assets of each industry sector and how they can best complement capacities and capabilities of governments and humanitarian organisations
 - Enter early discussions and pre-agreements with key businesses to ensure effective and timely mobilisation of their resources when needed
- The media can play a greater role to help disseminate best practices, share success stories and highlight areas of engagement currently overlooked by businesses
- National government bodies can facilitate more effective collaborations by establishing multi-sector coordination mechanisms from national to provincial and municipality level. Local authorities need to be held accountable in adhering to effective and inclusive disaster risk management and preparedness strategies through an institutional architecture that is sustained beyond political cycles. Albay province in the Philippines has become a global model in this regard (see p.18).

⁷ See, for example, King's College London (2013) "The private sector challenge: Final report" retrieved from <http://www.humanitarianfutures.org/wp-content/uploads/2014/01/The-Private-Sector-Challenge-Final-Report-14-1-14.pdf>

- Business-led networks can play a critical role in mobilising and helping coordinate corporate contributions and the Philippines provides a good model for this as seen with the following example.

Business-led networks in the Philippines driving corporate contributions

Business networks are the driving forces behind the increasingly strategic engagement of companies in disaster-related efforts in the Philippines.

The key networks mobilising and informing business engagements include the Corporate Network for Disaster Response (CNDR), the Philippine Business for Social Progress (PBSP), and the Philippine Disaster Recovery Foundation (PDRF). All three networks bring together business associations, corporations, and corporate foundations and are led by businesses. They provide a platform for dialogue with the humanitarian and government sectors as well as a confidential space to learn from other businesses. All three networks support business engagements in programmes of humanitarian organisations as well as devise their own programmes, often in collaboration with humanitarian organisations and the government. Businesses support these programmes through funding or technical assistance. Each network has a different programmatic focus but all three are moving to building preparedness capacities for effective response and recovery at local to national level.



With the Philippine's susceptibility to a variety of natural hazards including earthquakes, volcanic eruptions and recurrent typhoons and storm surges, there is a good understanding within the business sector of the need to support preparedness, response and recovery efforts. Businesses are increasingly turning to CNDR, PBSP, and PDRF as they see the value of providing their resources to joint efforts with other companies that are based on thorough needs assessments and coordinated with interventions by the humanitarian and government sectors. Supporting these networks enables businesses to leverage their core competencies in building local capacities for response and recovery, to get directly involved in the network's programmes and see the impact of their contributions and involvements.

Breaking-down mistrust and short-term thinking

When engaging in disaster-related programmes a majority of businesses focus on supporting immediate needs in the aftermath of a disaster. Media attention and the desire of employees to help are key drivers for these contributions as are the prospects of quick reputational gains and brand image.

Unfamiliarity with the structures and principles guiding the work of humanitarian organisations and government agencies is resulting in a preference for small-scale, short-term collaborations which can be easier managed and monitored.

The Forum made the following recommendations in order to encourage business engagement in long-term, sustainable efforts:

- Governments need to provide a permanent multi-sector dialogue platform at national level that builds understanding of mid- to long-term preparedness and recovery needs and thus facilitates buy-in from the business sector.
- Humanitarian organisations can structure long-term programmes into a succession of small-scale projects and devise transparent impact assessments to better accommodate business engagements.

Addressing differences in language and ways of working

The lack of a common language and differences in decision-making processes is often mentioned as impeding collaborative efforts between the business, humanitarian and governments sectors. This includes communication difficulties due to the use of technical terminologies and business jargon.

A number of participants questioned the practicability of establishing a common language between different sectors. Instead there was agreement on the need to have a shared vision with clearly defined goals, which could then guide collaboration and how to best leverage each sector's core competencies in achieving these goals.

The following example of Albay province, Philippines, shows how a committed government can build disaster preparedness for effective response and recovery through institutionalising public responsibilities and drive business engagement by setting incentives. There is potential to take the lessons learned from Albay province to other disaster-prone areas in the Philippines and the region. The business and humanitarian sectors can support this and particularly help build capacity within the government sector and advocate for the institutionalisation of disaster risk management and coordination mechanisms.

Albay Province, Philippines – Effective institutionalisation of disaster risk reduction and preparedness

The province of Albay in the Philippines has become a global model for effective government action on disaster preparedness, response and recovery. Disaster risk management has been successfully institutionalised at provincial level, which not only helped sustain government commitment but also incentivised business contributions and engagements.

Albay's efforts to make disaster risk reduction and preparedness a priority have proven successful. Though exposed to numerous natural hazards – including volcanic eruptions, typhoons, earthquakes, and landslides – the province has had no casualties during natural disasters since 2006.

The Albay Public Safety and Emergency Management Office (APSEMO) functions as a communication and coordination hub before, during and after emergencies and drives disaster risk reduction and preparedness. It was created as the permanent office for disaster risk management in 1995, initiated by the Albay Provincial Board (provincial legislature). It oversees the maintenance and restoration of infrastructure and early warning systems, holds regular public emergency drills, and organises response teams during emergencies. It can draw from a designated disaster risk reduction and climate change adaptation budget, which constitutes nine per cent of the annual budget. It also oversees institutional capacity building and provides technical expertise for risks assessments, early warning systems and evacuation plans of government units at district level.

Local government units are required to integrate disaster risk reduction in land use plans and under the Albay Special Proclamation Resolution 2007-04 all projects and programme grants of license and permits need to pay due consideration to climate change adaptation needs. There are also financial incentives such as tax holidays for businesses to help reduce disaster risks. This has helped mobilise business investments in reducing and adapting to risks from extreme weather events. The Energy Development Corporation, for instance, supports the reforestation of mangrove forests.

The Corporate Network for Disaster Response (CNDR) – a network of business groups,

associations, corporations and corporate foundations - helps carry the lessons learned from Albay province and the goal of 'zero casualties' to other provinces. CNDR's 'Noah's Arc' project builds disaster preparedness and risk management capacities of government units at provincial, city and district level. Corporate members support the network's programme through funding, in-kind donations and technical support. Smart Communications, Inc., for instance supports the establishment of a province-wide disaster management plan in Cebu and provides technology such as 'Infoboard', a web-based solution that utilises Short Messaging Service (SMS) to broadcast alerts and other information to registered users, and the mobile application 'Tudlo', a disaster preparedness education tool.

Sources:

Center for Initiatives and Research on Climate Change Adaptation (2010) "Province of Albay, Philippines: Responding to the challenge of disaster risk reduction and climate change adaptation" Retrieved from http://www.preventionweb.net/files/section/230_Philippinesalbaycasestudy.pdf

Global Disaster Preparedness Center (2014) "Preparedness issues in Philippines Typhoon Haiyan recovery" Retrieved from <http://preparecenter.org/topics/preparedness-issues-philippines-typhoon-haiyan-recovery#obstacles-to-preparedness>

International Organisation for Migration and UN OCHA (2010) "Typhoon Haiyan (Yolanda) Consolidated Cluster Briefs 19 June 2014" Retrieved from <http://reliefweb.int/sites/reliefweb.int/files/resources/Consolidated%20Cluster%20Briefs19June2014.pdf>

Smart Communications, Inc. (2014) "CNDR, Smart to help steer Cebu towards disaster resiliency" [Press Release]. Retrieved from <http://www1.smart.com.ph/About/newsroom/press-releases/2014/03/20/cndr-smart-to-help-steer-cebu-towards-disaster-resiliency>

03 Areas for strategic business engagements

Discussions at the Forum highlighted opportunities for the business sector to support recovery efforts through leveraging business skills, resources and networks. The following outlines four key areas for strategic business engagements.

3.1 Supporting sustainable reconstruction

The challenge:

A review of disaster-prone economies in the Asia-Pacific found that many still lack appropriate consideration of disaster risks in public and business investments and an absence of effective land-use policies and zoning systems. This has led to developments in unsafe areas at risks from natural hazards such as flood plains or near fault lines.⁸

In many of the region's disaster-prone economies, urban development and housing is located in the informal sector. This is particularly the case in post-disaster environments where affected communities seek to rebuild their homes and livelihoods as quickly and affordably as possible often reproducing previous risk conditions.⁹ Building codes and planning laws, already poorly enforced in many developing countries, are generally not considered due to scarce resources, capacities and pressure to rapidly reconstruct. Lack of equipment, building materials, technical assistance, and poor resource planning are typical factors constraining post-disaster reconstruction efforts.

There is a high risk of affected communities being rebuilt using the same types of materials and construction methods with the result that few improvements are made in reducing their vulnerability to future disasters.¹⁰

The relocation of at-risk communities and the establishment of no-build zones remains a controversial measure under government-led reconstruction plans. It can lead to communities losing their livelihood opportunities, such as access to markets, and social support networks. Often relocated communities abandon new settlements and return to original locations.

⁸ UNISDR (2014) "Asia Pacific inputs to the post-2015 Framework for Disaster Risk Reduction (HFA2) - Key Area 5 Paper - Reducing Exposure and Underlying Risk Factors" Retrieved from http://6thamcdrr-thailand.net/6thamcdrr/Portals/0/Downloadable/PrevAMCDRR/KA5_For_IAP_Final.pdf

⁹ The International Fund for Agricultural Development (IFAD) (2011) "IFAD Guidelines for Disaster Early Recovery". Retrieved from <http://www.ifad.org/pub/disaster/e.pdf>

The opportunity:

Recovery needs to go beyond the reconstruction of pre-disaster conditions in order to avoid the repetition of risk-intensive mistakes and rebuilding previously existing conditions of vulnerability¹⁰ such as poorly built houses on flood plains.

Post-disaster reconstruction efforts need to aim at “building back better” by reducing disaster risks and creating more resilient communities. This is vital for the region’s disaster-prone economies in order to prevent future disasters from reversing reconstruction efforts and investments.

In areas prone to recurrent natural hazards this needs to go beyond more resilient building practices and involve the integration of disaster risk reduction into land-use planning legislation and policies and possibly the resettlement of at-risk communities who cannot rebuild their lives at the original site. The resettlement of these communities to safer locations needs to provide housing solutions but also make provisions for income-generating opportunities and sustainable livelihoods.



¹⁰ Asian Development Bank (2009) “Recommendations for dealing with the transitions from Disaster Response to Recovery”. Retrieved from <http://www.adb.org/sites/default/files/disaster-response-recovery.pdf>

¹¹ Turnbull, M., Sterrett, C., Hilleboe, A., (2013) “Toward Resilience: A Guide to Disaster Risk Reduction and Climate Change Adaptation”. Retrieved from file:///C:/Users/Jeff/Downloads/ECB-toward-resilience-Disaster-risk-reduction-Climate-Change-Adaptation-guide-english.pdf

How the business sector can contribute:

Businesses have much to contribute to support sustainable rebuilding efforts:

- **Technical expertise:** Through skills-based volunteering businesses can lend their expertise in building local capacity and self-reliance for quality reconstruction. The training of local builders and masons does not only contribute to the promotion of better building standards but can also improve the skills of local work force and thus their employability.
- **Manpower:** Through the engagement of well-trained employee volunteers business can provide humanitarian organisations with the manpower needed in labour-intensive rebuilding efforts such as the clearing of debris and thereby speed-up recovery efforts.
- **Equipment:** Many businesses possess equipment useful in reconstruction efforts such as generators, satellite communications, earthmoving equipment for clearing debris, or trucks to transport materials. Equipment such as protective gear is also needed in emergency employment programmes where those affected by a disaster are employed in short-term reconstruction projects.
- **Pre-established networks and local knowledge:** Businesses established in or located close to affected areas can be vital partners helping inform the work of humanitarian organisations. They can leverage their local networks, supply chains and relationships with key stakeholder such as local government, and their understanding of regulatory frameworks.¹²
- **Innovation:** Through collaborative efforts with universities and non- governmental organisations businesses can help innovate and field-test resilient building designs and new materials.
- **Advocacy:** The business sector can help to advocate for the integration of disaster risks into rebuilding efforts and spatial planning and for better enforcement of legislation. According to the Asian Development Bank, there is a window of opportunity of up to six months after a disaster to persuade political decision-makers to introduce disaster risk management measures into post-impact construction activities. This includes, for example, more risk- aware planning processes to prevent reconstruction on or near fault lines, unstable slopes or flood plains.¹³

⁸ UNISDR (2014) “Asia Pacific inputs to the post-2015 Framework for Disaster Risk Reduction (HFA2) - Key Area 5 Paper - Reducing Exposure and Underlying Risk Factors” Retrieved from http://6thamcdrr- thailand.net/6thamcdrr/Portals/0/Downloadable/PrevAMCDRR/KA5_For_IAP_Final.pdf

⁹ The International Fund for Agricultural Development (IFAD) (2011) “IFAD Guidelines for Disaster Early Recovery”. Retrieved from <http://www.ifad.org/pub/disaster/e.pdf>

The environmental dimension of post-disaster reconstruction

Many ecosystems are important to sustain local livelihoods but also in mitigating impacts from natural disasters. Coastal forests such as mangroves, planted forests and beach forests can effectively reduce the destructive power of tsunamis, as well as block drifting objects from washing inland and causing secondary damage.

Private and public sector investments throughout the region have contributed to the degradation of ecosystems. Post-disaster reconstruction can place further burden on these ecosystems through, for example, the disposal of disaster-related debris or the increased demand for building materials such as wood.

There is a need to help restore and enhance environmental resources and ecosystems in order to reduce risks from future hazards. At the same time there is a need to consider and reduce the environmental impact of reconstruction activities.

Particularly in disaster-prone areas, it is vital to integrate environmental conservation concerns into reconstruction efforts to reduce future risks from natural hazards, ensuring the environmental sustainability of reconstruction projects. Merging post-disaster reconstruction and environmental conservation should be the ideal to create resilient, sustainable livelihoods.



The business sector can play a role in the protection of crucial ecosystems and environmental resources in the aftermath of natural disasters through:

- **Manpower:** Employee volunteers can support labour-intensive eco-system restoration activities by NGOs such as the replanting of mangrove forests.
- **Technical expertise, logistics and networks:** Business can support the re-use of debris and fallen trees by helping identify and process reusable materials, support logistics and link-up to possible users such as timber companies or construction firms.

¹² Wong, A., Eapen, A., Gutknecht, T., (2010) “Engineering & Construction Disaster Resource Partnership: A New Private-Public Partnership Model for Disaster Response”.

¹³ Asian Development Bank Resident Mission in PRC (2008) “Recommendations for dealing with the transition from disaster response to recovery”. Report prepared for the Ministry of Finance Government of the People’s Republic China (PRC). Retrieved from <http://www.adb.org/sites/default/files/disaster-response-recovery.pdf>

- **Micro-enterprise creation:** Business can support expertise and funding for ecosystem-based income-generating activities that provide a livelihood for vulnerable communities. This includes, for example, mangrove forest areas and fish sanctuaries managed by local communities, which in turn protect these ecosystems, allowing people to gather crabs and other products for their livelihood.
- **Sustainable sourcing:** Businesses should consider the environmental impact of sourcing materials in rebuilding either their own or community facilities.
- **Innovation:** In collaboration with NGOs business can develop and field-test new materials that reduce reliance on natural resources such as the use of fiberglass instead of wood for fishing boats.
- **Advocacy:** Business can advocate for a more sustainable management of crucial ecosystems such as forests and coral reefs and the better integration of ecosystem conservation into recovery efforts.

Sources:

Food and Agricultural Organisation and The Centre for People and Forests (2013) "Forests and natural disaster risk reduction in Asia and the Pacific". Retrieved from [http://www.recoftc.org/site/uploads/content/pdf/Forests%20and%20natural%20disaster_policy%20brief_36 3.pdf](http://www.recoftc.org/site/uploads/content/pdf/Forests%20and%20natural%20disaster_policy%20brief_36%203.pdf)

Deshmukh, S., (2011) "Mangroves in climate change based disaster risk reduction: some considerations". Professor of Life Sciences, University of Mumbai. Retrieved from [http://dhan.org/acedrr/papers/\[04\]-Mangroves-in-climate-change-based-DRR-\[Mr.-Sanjay-Deshmukh\].pdf](http://dhan.org/acedrr/papers/[04]-Mangroves-in-climate-change-based-DRR-[Mr.-Sanjay-Deshmukh].pdf)

Supporting skills development and employment in reconstruction

In the aftermath of a disaster it is essential to create employment opportunities as soon as possible to avoid exacerbating existing, chronic poverty in the affected areas. It is vital for disaster victims and their families to not only regain income and sustenance, but also self-confidence, dignity and hope.

Emergency employment programmes provide short-term employment to those affected by a disaster in community clean-up and reconstruction projects (such as debris clearing and the rebuilding of roads, drainage systems, and community facilities) or in infrastructure rehabilitation projects. Beneficiaries are paid in either cash or produce.

Emergency employment helps to reinsert capital flow into a community, enabling crisis affected people to regain their purchasing power and meet immediate needs, while preventing further instability within the community. Although intended for immediate relief and therefore focusing on the short-term needs at hand, such programmes can have long-term, sustainable benefits such as long-term employment opportunities.

In the aftermath of the 2004 Indian Ocean Tsunami, for example, Habitat for Humanity worked with the Indian NGO the Centre for Action, Development, Research and Education (CADRE) to conduct a one-month mason training for fifty female members of a self-help group in Colachel, Tamil Nadu. Six months after programme completion the women were hired as full-time masons or formed work crews to repair and renovate broken structures in their own villages. They all believed that careless construction would now no longer be tolerated in their villages. Mary, a middle-aged, unmarried woman, could afford building her own house and take on her nephews as apprentices.

Business can make vital contributions to emergency employment programmes:

- **Donations:** Business can support the efforts of humanitarian organisations through funding and the provision of equipment such as protective gear for workers or sawmills for the processing of fallen trees.
- **Technical expertise:** Companies can lend expertise in supporting the onsite-training of beneficiary workers in the repair and reconstruction of buildings and infrastructure or other skills needed in reconstruction that can improve beneficiary workers' long-term employability.



Sources:

United Nations (2009) "United Nations policy for post-conflict employment creation, income generation and reintegration" Retrieved from http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/@ifp_crisis/documents/publication/wcms_117576.pdf

UNDP (2013) "Livelihoods and economic recovery in crisis situations" Published by the Bureau for Crisis Prevention and Recovery Livelihoods and Economic Recovery Group New York. Retrieved from http://www.undp.org/content/dam/undp/library/crisis%20prevention/20130215_UNDP%20LER_guide.pdf

Worldbank (2010) "Safer Homes, Stronger Communities: A Handbook for Reconstructing after Natural Disasters" Retrieved from http://www.gfdrr.org/sites/gfdrr.org/files/Chapter_16_Training_Requirements_in_Reconstruction.pdf

Thailand: Siam City Cement and Academia – Rebuilding a village based on flood-resistant building designs

In 2012 Siam City Cement (SCCC), a cement manufacturer and distributor, invested US\$405,000 into the reconstruction of Baan KlongSai Village in Maharaj District, Ayutthaya, which had been severely damaged by the late 2011 floods. The village’s twenty-two households mostly rely on day labour work on or below minimum wage and are vulnerable to annual flooding due to being located in a water catchment area.

In the immediate aftermath of the 2011 floods, residents of the village received food and other necessities from SCCC to help meet urgent basic needs. The firm recognised that its efforts had to go beyond relief in order to help the village improve its coping mechanisms to recurrent floods.

In collaboration with the Faculty of Architecture at Chulalongkorn University, SCCC employees developed a flood resistant village design including fourteen elevated houses; three metres above ground and connected by elevated boardwalks. All houses were built using conwoodbatten, a water resistant fibre cement, and improved sanitary facilities that can be used during floods. King Mongkut’s University of Technology Thonburi, supported the introduction of waste sorting and composting facilities, solar lighting, cooking stoves and communal gardens through community trainings.





SCCC successfully mobilised its business partners in supporting its efforts, seven companies contributed machinery, building materials, and bathrooms, as well as kitchen fixtures and appliances. One of the business partners facilitated collaboration with local authorities, which provided facilities for community meetings.

The design plans and blueprints for the village reconstruction have been made publicly available on the company's website and YouTube. The expertise and lessons learned from this project are now informing Siam City Cement's contribution to relief and recovery efforts after the 2014 earthquake in the city of Chiang Rai where the company supports the construction of earthquake resistant buildings.

For all businesses involved, INSEE Green Village represented a more sustained contribution to disaster-prone communities than typical flood relief donations. It also provided a good opportunity to build brand image, strengthen business relationships through collaborating on a joint cause, and gain valuable knowledge in the realisation of flood-resistant architectural design concepts.

Sources:

APEC (2013) "New Approaches on Public-Private Partnerships for Disaster Resilience". Unpublished paper prepared for the 4th Emergency Preparedness Working Group Meeting, Jakarta, Indonesia, 2-3 February 2013

Siam City Cement. Personal interview, 04 August 2014

Philippines: Habitat for Humanity and Prudence Foundation – Business sector support for resettlement site for at-risk communities

The 2013 typhoon Haiyan (local name Yolanda) affected more than 14 million individuals and resulted in more than a million totally or partially damaged houses.

Under its ReBUILD Philippines programme, Habitat for Humanity (HFH) Philippines, a non-profit housing organisation, aims to support 36,000 families in re- building their homes.

The organisation plans to distribute 30,000 Shelter Repair Kits (SRK) and to build 38,000 core housing units in government-assigned resettlement sites in the provinces affected by typhoon Haiyan. To meet the vast need for permanent housing HFH works in partnership the Department for Social Welfare and Development, the National Housing Authority, the National Confederation of Cooperatives, local government units and private sector donors.

HFH has developed three housing designs that can withstand magnitude 7 earthquakes and strong winds of up to 245 kilometres per hour. Costs for each house are estimated at PHP 200,000 (USD\$ 4,560) and significant funding is thus required to realise the goal of 38,000 new permanent homes.

In Bantayan Island, Cebu province, HFH aims to built a total of 250 permanent houses at a resettlement sites located in the municipality of Santa Fe with additional sites planned in neighbouring municipalities. Bantayan Island has been among the worst hit areas, with an estimated 95 per cent of houses and infrastructure damaged or destroyed.

Resettlement sites have been established by the local government in order to relocate vulnerable communities including those living in high-risk zones such as shore-lines, those without land-rights living in informal settlements highly exposed to natural hazards, and Haiyan affected families living in evacuation sites and makeshift shelters. A majority are subsistence farmers and fishermen. HFH’s programme specifically targets women and women-headed households, children, elderly and persons with disability. Beneficiaries are selected in coordination with local government units and based on the severity of damage and vulnerability.

HFH is working in collaboration with the Department of Social Welfare and Development (DSWD) and local government units throughout all programme phases from the selection of beneficiaries to the procurement and transportation of building materials.



Though the municipal government is responsible for the construction of public infrastructure - including drainage systems, road pavements, and electricity and water supply - the realisation of the resettlement site requires significant funding for housing construction as well as manpower to accelerate the building process.

In Santa Fe, the Prudence Foundation supports the construction of 135 houses and in addition the provision of 183 motorised pump boats with fishing nets and 142 pedicabs to help replace crucial livelihood assets damaged or lost after the typhoon. During a first five-day deployment in March 2014, 100 employee volunteers from 13 countries provided much needed manpower and assisted in the construction of the first houses. A further 80 strong regional employee team from 13 countries went in September to continue to support the ongoing construction on the site.

As the programme proceeds HFH Philippines seeks stronger involvement of non-skilled labourers from local communities to support skills training. Once the resettlement process has been completed community needs assessments will inform targeted livelihood recovery interventions. First focus group discussions with affected households indicated an interest in coastal resource management and organic farming.

Prudence Foundation engaged in this programme because it addresses the essential issues in post-disaster recovery, namely the provision of disaster resilient houses in less vulnerable locations as well as the replacement of livelihood assets for those who have lost everything. It was equally important to the Foundation to provide support to areas in the Philippines that were receiving less attention but where there was still an urgent need. This effort marked the fourth Regional Prudential Volunteer Programme for disaster recovery in the region, following efforts in Thailand, Japan and Indonesia. These volunteering programmes form a core component of the Prudence Foundation's culture, providing Prudential staff across the region with a platform to personally be involved and support communities that have suffered from a major catastrophe beyond financial donations.

Sources:

Marc Fancy, Executive Director, Prudence Foundation. Personal Interview, 27 June 2014

Oxfam Joint Agency Briefing (2014) "Rebuilding Fishing Communities and Fisheries: Post- Haiyan reconstruction in the Philippines". Retrieved from <http://www.oxfamamerica.org/static/media/files/bn- fisheries-reconstruction-philippines-recovery-1200214-en.pdf>

Tots Escalada, Chief Operating Officer, Habitat for Humanity Philippines. Personal Interview 26 June 2014



3.2 Supporting livelihood recovery

The challenge:

Natural disasters can severely affect livelihoods by damaging or destroying productive assets such as seeds, livestock, fishing boats and equipment. The poor are less able to cope with these impacts as they have few resources to fall back on. They can be pressured into selling their remaining productive assets to meet more urgent needs such as food, water and medical treatment. This can leave them even more vulnerable to future hazards and dependant on relief aid.

The provision of livelihood assets is an important recovery intervention with the aim to reinitiate income-generating activities and build self-reliance. This can include the provision or funding of fishing boats, seeds, fertilisers, livestock, lost equipment and other essential tools; or the repair and improvement of storage facilities.

Experience during the recovery process after major disasters, however, has highlighted the following risks:

- **Donated assets being re-sold:** There is a risk of assets being resold by beneficiaries because they do not meet requirements, cannot be used or because more urgent needs have to be met first. Farmers, for example, may need to wait for the next harvest to use equipment and may thus be inclined to sell assets to buy food or pay for medical treatment.
- **Market distortions:** The donation of assets can distort local economies and displace merchants and small businesses by, for example, depressing local prices of goods.¹⁴
- **Immediate ecological impact:** The provision of livelihood assets such as fishing boats can result in a sudden increase in local demand for wood to construct boats. This can, in turn, put further pressure on diminishing forests.
- **Long-term socio-economic and ecological impact:** The provision of fishing assets can result in increased fishing activities that may threaten fishery resources and long-term food security.¹⁵ In some cases well-meant asset donations might lead to the restoration of fishing activities that were unsustainable already before the disaster.
- **Excluding those most vulnerable:** There is a risk of asset replacement interventions exclusively focussing on households whose livelihoods assets were destroyed or damaged by the disaster thus unintentionally favouring more advantaged community groups. In doing so, such interventions exclude those most vulnerable to disasters, i.e. households with few or no assets even before the disaster.¹⁶
- **Rebuilding vulnerability and risk:** In disaster-prone areas, asset provisions might also result in fishermen and small-holder farmers continuing livelihoods highly exposed and vulnerable to recurrent hazards where recovery investments might be demolished by the next disaster.

¹⁴ Phelan, J., (2013) “Keep Your Canned Goods, Cash is King: How Best to Support Emergency Relief Efforts Abroad & ensure effective international assistance by providing the right kinds of support”. Action Against Hunger (ACF) International. Retrieved from <http://www.actionagainsthunger.org/blog/keep-your-canned-goods-cash-king-how-best-support-emergency-relief-efforts-abroad>

The opportunity:

In supporting the replacement of productive assets there is an opportunity to source locally and thus help recover local markets. Ways of support that can avoid market distortions include micro-leasing of assets or providing funds in order for beneficiaries to purchase or built assets themselves, e.g. cash grants and credits.

Many humanitarian organisations have developed effective approaches to assess complex socio-economic and ecological systems to better understand community needs and prevent unintended consequences that might undermine recovery efforts.

Beyond this, the recovery phase provides an opportunity to strengthen livelihood strategies with the aim to increase sustainable income-generating opportunities that make communities more resilient to future shocks. This includes the provision of technical training, business development counselling and the introduction of new technologies as well as supporting market access and land rights.

How the business sector can contribute:

Businesses seeking to support the recovery of livelihoods are well advised to work through experienced and locally established organisations

that have the expertise and systems to best meet local needs and circumstances.

Businesses can particularly play a role by:

- **Funding:** Helping fund asset provisions and livelihood-based interventions that are based on thorough community needs and market assessments.
- **Donation of assets and technology:** Helping source and provide livelihood assets and technology where the company has a unique access to such resources. For example, agri-businesses can support the provision of quality seeds and other necessary inputs such as fertilisers.
- **Shipping, logistics and distribution:** In-kind donations of livelihood assets should cover the entire costs for shipping, logistics and distribution.
- **Business skills and technical training:** Many companies are well positioned to lend expertise in business skills, financial management and technical training, including training in more effective agricultural practices to farmers or marketing training for craftsmen. They can also help to conduct market analysis, gain access to markets and identify viable niche markets.

¹⁵ Oxfam Joint Agency Briefing (2014) “Rebuilding Fishing Communities and Fisheries: Post- Haiyan reconstruction in the Philippines”. Retrieved from <http://www.oxfamamerica.org/static/media/files/bn- fisheries-reconstruction-philippines-recovery-1200214-en.pdf>

¹⁶ IRP and UNDP-India (2012) “Guidance Note on Recovery: Livelihoods”. Developed in collaboration between International Recovery Platform (IRP), United Nations Development Programme India (UNDP-India). Retrieved from http://www.in.undp.org/content/dam/india/docs/guidance_note_on_recovery_livelihood.pdf.

The role of micro-finance in livelihood recovery

With a lack of access to formal financial services the poor often resort to short-term coping strategies after a natural disaster including depleting their savings, selling assets, taking emergency loans at high interest rates, foregoing expenses for education and other needs, or pursuing lower risk livelihoods strategies which may result in lower yields.

For example, in the aftermath of Cyclone Nargis, that hit Myanmar in 2008, lack of capital and access to credit, restricted farmers from making necessary investments in rebuilding their livelihoods. This pressured some farmers to sell off their remaining assets, borrow money or rely on remittances and gifts from family members.

Limited access to financial resources in the form of credit, loans or grants is also a major factor restricting the ability of micro-, small-, and medium-sized enterprises (MSMEs) to invest in the growth and protection of business operations. As an example, 200 to 245 million MSMEs in low-income countries are faced with a US\$2.1 to US\$2.6 trillion gap in financing.

Disaster-affected low-income households, poor and marginalised groups in society, and MSMEs require access to quality and affordable financial services to replace assets and restart income-producing activities and thus recover more swiftly. Micro-finance can help with economic recovery at the household and business level by providing access to credit, loans, savings, transfers and insurance. It can help build resilience by allowing investments in risk-reducing measures or in new livelihood strategies.

To date, the potential of micro-finance for disaster recovery has not been fully explored. While bodies such as the International Finance Corporation see a vast potential market for micro-finance, the 'financial viability' of micro-finance models is fiercely debated. Subsidies, grants and concessionary capital have played a major role in the development of the industry.

Given the vast market potential there is a role for the business sector to work in collaboration with development organisations, governments and donors in order to foster the development of risk market infrastructure and to pilot new services in developing countries. There is an existing scope for offering affordable disaster insurance in the areas of life, assets (households and income generated), disability, employment (compensation for lost business due to disasters, wage-loss compensation), production (stock and crop loss) and housing.

Sources:

Irin News (2010) "Myanmar: Livelihoods crucial to cyclone recovery". Retrieved from <http://www.irinnews.org/report/88045/myanmar-livelihoods-crucial-to-cyclone-recovery>

IRP and UNDP-India (2012) "Guidance Note on Recovery: Livelihoods". Retrieved from http://www.in.undp.org/content/dam/india/docs/guidance_note_on_recovery_livelihood.pdf

Kynge, J., (2014) "Psychometrics help ease the huge EM funding gap". Beyondbrics FT. Retrieved from <http://blogs.ft.com/beyond-brics/2014/06/25/psychometrics-help-ease-the-huge-em-funding-gap/?catid=677&SID=google>

Indonesia: ExxonMobil and Gadjah Mada University – Revitalising silversmith crafts through skills training and marketing support

Following the March 2007 earthquake the Gadjah Mada University in Indonesia and its partner Exxon Mobil developed the Post-Earthquake Revitalisation of Kotagede Silversmith Crafts programme, which ran until February 2009. The programme was designed to rebuild and further develop the livelihoods of local silversmiths through improving their skills, expanding their design vocabulary, and broadening their knowledge of marketing and promotion. The programme also aimed to improve silversmiths' sense of community belonging, social inclusion and cultural identity.

Among an estimated 178 silversmiths of Kotagede, around 100 were low-income families that fully relied on silver craft-making to support their livelihoods. The programme identified 40 beneficiaries who were educated on product-based ordering systems, and taught how to improve the quality of their silver craft products, as well as how to promote their craft for wider based markets. The scheme incentivised low-income silversmiths to solve their post-quake economic issues by developing an order-based programme.

The programme was implemented in two phases. In phase one 40 beneficiaries were selected based on verification of their qualifications. It started with the production of prototypes to assess the silversmiths' skill levels. Each silversmith received orders valued at about between IDR2,000,000 and IDR2,500,000 (USD\$166 and USD\$208). All resulting products were included in a catalogue of Kotagede silver craft products, which helped considerably with product promotion and marketing.

Phase two of the programme gave small-scale craftsmen in Kotagede the opportunity to promote and market their products. Local partners collaborated on product marketing activities, including the provision of space to be used as a collective showroom, and participation in national and international exhibitions. To develop a reputation beyond Kotagede, silver crafts were marketed in selected outlets outside of Kotagede as well as via a internet website (<http://kotagedecrafts.multiply.com>).

The programme not only helped restore the local silversmiths' livelihoods, but also provided a way for the academic community to get involved in community service. The programme also served as an exercise in effective funding management that benefitted other community revival efforts even after the programme funding had ended.

Sources:

Department of Architecture & Planning, Faculty of Engineering, Gadjah Mada University, Yogyakarta, Indonesia (2011) "Reconstructing Heritage Post Earthquake The case of Kotagede, Yogyakarta Indonesia". *Journal of Basic and Applied Scientific Research*, J. Basic. Appl. Sci. Res., 1(11)2364- 2371, 2011. Retrieved from [http://www.textroad.com/pdf/JBASR/J.%20Basic.%20Appl.%20Sci.%20Res.,%201\(11\)2364- 2371,%202011.pdf](http://www.textroad.com/pdf/JBASR/J.%20Basic.%20Appl.%20Sci.%20Res.,%201(11)2364-2371,%202011.pdf)

ExxonMobil Corporate Citizenship. Personal Interview, 18 June 2014

Gadjah Mada University and International Recovery Platform (2009) "The Yogyakarta and Central Java Earthquake 2006". *International Recovery Platform Recovery Status Report*. Retrieved from <http://www.recoveryplatform.org/assets/publication/RecoveryStatusReport/RECOVERY%20STATUS%20REPORT%20YOGYAKARTA%202009-1.pdf>

IRP and UNDP-India (2012) "Guidance Note on Recovery: Livelihoods". Developed in collaboration between International Recovery Platform (IRP), United Nations Development Programme India (UNDP-India). Retrieved from http://www.in.undp.org/content/dam/india/docs/guidance_note_on_recovery_livelihood.pdf

ExxonMobil Indonesia (2014) "ExxonMobil relief efforts". ExxonMobil Communications Department. Retrieved from http://www.exxonmobil.com/Indonesia-English/PA/community_relief.aspx



Philippines: Coca-Cola in cooperation with USAID and the Negros Women for Tomorrow Foundation – Supporting recovery of women micro-entrepreneurs

Shortly after typhoon Haiyan (locally named Yolanda) Coca-Cola signed a tripartite Memorandum of Understanding (MOU) with the United States Agency for International Development (USAID) and Procter & Gamble to support the revival of 1,000 sari-sari stores (small community stores) in Leyte province, one of the most affected areas.

In a similar initiative Coca-Cola works with the Negros Women for Tomorrow Foundation (NWTF), a micro-finance institution, to support the revival of sari-sari stores and food stalls in Tacloban city. Over a course of eight years, the partnership with NWTF will support around 2,000 women entrepreneurs in rebuilding their businesses. As part of this initiative NWTF provides access to loans for women business owners while Coca-Cola Philippines supports these women in rebuilding and improving their retailing business.

At the core of both partnerships is the understanding that rehabilitating key community enterprises through restoration of buildings and inventory, business training, financial resources such as bridge loans, and peer-to-peer networking and mentoring is key to jumpstarting a local economy and thereby livelihoods at large.

Coca-Cola's support for the recovery of micro-entrepreneurs and the stabilisation of basic consumer goods in typhoon Haiyan affected communities is building upon the firm's global '5 by 20' programme which aims for the economic empowerment of five million women by 2020. In the Philippines, this includes the 'Sari-Sari Store Training and Access to Resources' (STAR) programme in cooperation with the Philippine government and civil society partners such as NWTF.

There is a clear business case for Coca-Cola in supporting the recovery of sari-sari storeowners after typhoon Haiyan: in the short-term it enables beneficiary business owners to continue selling products; in the mid- to long-term it helps strengthen local communities and thereby Coca-Cola's operational environment.

The collaboration with USAID and NWTF complements the firm's disaster relief contributions after Haiyan, which included the donation of funds, equipment, and goods as well as the suspension of advertising in order to redirect advertising resources into relief efforts. The partnership programmes build on Coca-Cola's understanding that it is necessary to rehabilitate income-generating activities in communities to support self-help and investments in resilience.

Sources:

Adel Tamano, Vice President, Public Affairs and Communications, Coca-Cola Far East Limited. Personal interview, 22 July 2014.

Coca-Cola (2014) "Coca-Cola, Negros Women for Tomorrow Foundation Support Filipino Women Entrepreneurs in Typhoon-Affected Areas" Retrieved from <http://www.coca-colacompany.com/stories/5by20/coca-cola-negros-women-for-tomorrow-foundation-support-filipino-women-entrepreneurs-in-typhoon-affected-areas>

USAID (2013) "USAID, P&G, and Coca-Cola announce partnership to aid grassroots entrepreneurship in the Philippines recovery effort" [Press Release]. Retrieved from <http://www.usaid.gov/news-information/press-releases/dec-19-2013-usaid-pg-coca-cola-announce-partnerships-philippines-recovery-effort>

3.3 Leveraging local markets in recovery

The challenge:

Natural disasters can lead to significant disruptions of markets on which many livelihoods and value chains depend. If local market dynamics are not considered in relief and recovery efforts crucial sources of income can be impacted, leaving affected households in even worse situations. For example, the livelihood of local clay roofing tile crafters was severely affected when agencies distributed metal sheeting in response to floods in Bangladesh in 2000.¹⁷

To date, not all assistance to support the recovery of affected livelihoods and enterprises is as effective as it could be. There is a risk of assistance efforts ignoring market dynamics, supporting unviable economic activities or promoting activities that crowd out local enterprise; resulting in assistance with fleeting or even harmful impacts. As a result individuals' incentives to invest in and operate viable businesses are distorted, and thus the pace of overall economic recovery slows.¹⁸

The opportunity:

Market analysis has become an important tool for humanitarian agencies in identifying the most appropriate and effective type of intervention. It helps understand the impact of a disaster on a local market system and the potential consequences of humanitarian response interventions. It provides critical information for the design of market-integrated interventions that leverage local market capacities through, for example local procurement or cash transfer programmes.

Where markets still function after a disaster, cash transfer programmes provide beneficiaries either direct cash handouts or electronic cash transfers through mobile phones or smart cards to meet their own needs. When beneficiaries purchase goods from local vendors and businesses to reduce the costs of travel, local markets and communities are consequently strengthened. By providing the freedom to allocate cash to most pressing needs, cash transfers can also foster dignity in the receipt of assistance.¹⁹

How the business sector can contribute:

Particularly locally established businesses can play an instrumental role in helping shape humanitarian interventions by engaging early and helping humanitarian and government organisations gain a better picture of market disruptions and capacities.

¹⁷ ALNAP ProVention Flood Lessons (2008) "Flood disasters: Learning from previous relief and recovery operations". Retrieved from file:///C:/Users/Jeff/Downloads/ALNAP-ProVention_flood_lessons.pdf

¹⁸ The SEEP Network (February 2009) "Minimum Standards for Economic Recovery After Crisis" Retrieved from http://www.microlinks.org/sites/microlinks/files/resource/files/econ_recovery_standards_branded.pdf

The humanitarian sector is open to new approaches of working with the business sector and donors are making funding available to pilot new technologies and modes of recovery interventions. This provides a unique opportunity for businesses to support market-based recovery efforts particularly through:

- **Market knowledge:** Locally established businesses possess a thorough and detailed understanding of local economies vital to informing the work of humanitarian organisations and the government. The business sector is very well positioned to support timely and effective market chain analysis, a tool used to gain a complete picture of market impacts along an entire supply chain and including all market players. This is in the interests of businesses that stand to benefit from market improvements.
- **Business expertise, technology, and networks:** Businesses are an important partner in Cash Transfer Programmes (CTPs) and help humanitarian organisations understand how to best build-up systems and leverage existing infrastructure. For example, they can help increase the reach of CTPs by enabling the penetration of remote and rural areas through expansion of branchless banking networks.
- **Inclusive business practices:** Corporations can support the recovery of important market players in their value chains, such as community vendors or suppliers, and the rehabilitation of infrastructure such as local fishing markets and product processing facilities.

¹⁹ Smith, G., MacAuslan, I., Butters, S. and Tromme, M. (2011) 'New Technology Enhancing Humanitarian Cash and Voucher Programming', a Research Report commissioned by CaLP

Electronic payment solutions for cash disbursements in relief and recovery

Electronic transfers (e-transfers) are increasingly deployed by humanitarian organisations in Cash Transfer Programmes (CTPs) that disburse financial aid to affected communities.

E-transfers allow beneficiaries to access money at local merchants in the community, which act as banking agents. Card-based systems, mobile money transfer systems and electronic vouchers are all storing electronic currencies in an electronic wallet (e-wallet) on a phone, card or voucher. The electronic currency, also referred to as e-money, can be converted back into cash with designated agents (local merchants) at any time, and used to pay bills or purchase goods at registered merchants. These e-wallets are generally safeguarded by a signature, a Personal Identification Number (PIN) or most recently biometrics. The minimum requirements for an e-transfers service to function are a technology software, hardware (e-transfer device), connectivity and user accounts.

E-payment systems are considered to provide less opportunity for fraud and diversion as electronic payments can be tracked. E-payment systems can also provide greater speed and efficiency of transfers if an effective branchless agent network has been established. Although many pre-paid cards used in humanitarian cash transfers are subject to limited activation periods, there have been cases where beneficiaries were able to transform these into functional bank accounts. In the case of the un-banked poor, this opportunity would provide them with an entry point into financial inclusion.

Working in cooperation with humanitarian organisations businesses from numerous sectors - including ICT, IT, financial institutions, remittances, and retail - are developing and deploying new technologies and ways of delivering aid more effectively and efficiently. This allows them to explore new market segments making use of the humanitarian sector's unique access and understanding of local communities and markets.

Sources:

Source: Smith, G., MacAuslan, I., Butters, S. and Tromme, M. (2011) 'New Technology Enhancing Humanitarian Cash and Voucher Programming', a Research Report commissioned by CaLP.

Philippines: UNDP in cooperation with Smart e-Money, Inc., and Land Bank – Mobile money transfer for cash-for-work programme

After typhoon Haiyan (locally named Yolanda) Smart e-Money, Inc. (SMI), Land Bank of the Philippines and the United Nations Development Programme (UNDP) entered into a partnership that helped increase the reach and effectiveness of UNDP's cash-for-work programme. The programme proved effective in meeting immediate disaster relief needs and promoting financial inclusion and economic recovery.

Participants of the on-going cash-for-work programme are employed for two weeks, eight hours a day and five days a week, to help clear

debris and clean public infrastructure and facilities such as roads and drainage canals, hospitals and rural health units, or schools. Eligible participants receive a mobile phone including a SIM card with initial PHP30.00 (USD0.70) airtime load and a Land Bank ATM cash card.

During the first programme phase in Tacloban City, beneficiaries received a weekly salary of PHP1,400.00 (USD32.50) and were notified by SMS when the cash card was credited with their pay. Beneficiaries were then able to withdraw money using their cash card at any ATM. In remote areas and areas that saw massive destruction of public infrastructure, Land Bank provided mobile ATMs to enable easy access and reduce travel time and costs for programme beneficiaries.

To date, the partnership has reached a total of 4,545 households (27,270 individuals) in Tacloban City, and various municipalities in Leyte, Eastern Samar and Aklan provinces. It helped provide much needed cash and temporary employment for those affected by the typhoon in order to start rebuilding their livelihoods.

Land Bank's extensive pay-out network and Smart's extensive telecommunications infrastructure and mobile money platform capability helped UNDP devise a fast, secure and effective system for pay-outs which meets the

organisation's specific monitoring and reporting requirements. For instance, the system allows UNDP to track cash-outs made by beneficiaries.

Beyond this, the partnership also supported access to financial services through financial literacy and entrepreneurship training. Many beneficiaries had never before used financial services and are now able to perform mobile money transfers, airtime reload and bill payments. This was made possible through the timely approval of less stringent Know-Your-Customer (KYC) requirements by the Monetary Board of the Bangko Sentral ng Pilipinas, the Philippine regulator.

The partnership provided a strategic engagement opportunity to Smart e-Money, Inc., as it not only contributed its expertise and infrastructure in effectively meeting emergency needs, but could also expand its mobile money market.

Sources:

Lito Villanueva, Vice President and Head of Payments Innovation, Digital Ecosystems and Alliances, Smart e-Money, Inc.. Personal interview, 07 August 2014

UNDP (2013) "Mobile cash transfer system goes live in Tacloban" Retrieved from <http://www.ph.undp.org/content/philippines/en/home/presscenter/pressreleases/2013/12/23/mobile-cash-transfer-system-goes-live-in-tacloban>

3.4 Supporting recovery of micro-, small- and medium-sized enterprises

The challenge:

Micro-, small- and medium-sized enterprises (MSMEs) are essential to the recovery process. Their role as employers, suppliers of goods and services, and customers makes them an integral part of the local economy. In most developing countries they are the single largest contributor to employment and account for a significant share of the national GDP. Not including businesses operating in the informal sector,²⁰ MSMEs employ more than one-third of the global population. In China, Japan, Sri Lanka and Myanmar they represent even more than 50 per cent of total employment.²¹ An analysis by McKinsey found that they account for an estimated 40 per cent of the national GDP in nine emerging markets, including among others China, Indonesia, and Singapore.²²

Studies have shown that for every dollar invested in a SME, twelve more dollars are generated for the local economy, a ripple effect including increased wages, tax revenues, and market efficiency.²³ Locally established MSMEs are also often the first responders after a disaster providing goods and services needed by communities to rebuild their livelihoods.



With globalisation, a single disaster, which may have once been managed in isolation, can have interrelated regional and global consequences²⁴ such as global supply chain disruptions which can in turn affect multi-national corporations (MNCs) located elsewhere.

The 2011 Japan earthquake and tsunami, for example, led to a temporary shut down of a small manufacturer of pearl-lustre, the substance giving car paint its sparkle. The closure impacted some of the world's major auto companies including Toyota, Nissan, Ford, General Motors, Chrysler and Volkswagen, who had to find an alternative supplier.²⁵

²⁰ Usually small-scale, non-registered businesses operating outside tax and social security frameworks 21 International Finance Corporation World Bank Group (n.d.) "Micro, Small and Medium Enterprise Country Indicators" Retrieved from http://www.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Financial+Markets/msme+finance/sme+banking/msme-countryindicators

²² McKinsey (2012) "Micro-, small and medium-sized enterprises in emerging markets: how banks can grasp a \$350 billion opportunity" Retrieved from http://www.eflglobal.com/sites/default/files/knowledge_center/MSME-Emerging-Market-Banking-report.pdf

²³ Ashoka Changemakers (2013) "Building the Businesses that Rebuild After a Disaster". Retrieved from <http://www.changemakers.com/g20media/post-disaster>



Due to their limited resources and capacities, MSMEs are highly vulnerable to disruptions caused by disasters due to shrinking local markets or defaulting customers. For MSMEs, any extended loss of productivity can lead to a reduced cash flow through increased costs as staff work over time to recover from late invoicing, lost orders, or missed delivery dates.²⁶ It is vital for MSMEs to recover swiftly; otherwise they are at risk of never recovering or opening again. Given their importance to national economies and as part of global supply chains, MSMEs need to receive greater support in order to better withstand and recover from major disruptions, damages, and losses.

The opportunity:

Inclusive business practices can support the sustainable recovery of MSMEs, thereby supporting livelihood rehabilitation of affected communities. At the same time such interventions support a company's business objectives through the strengthening of important parts in their value chain, e.g. small-scale producers and distributors, and the possibility to build new markets by addressing needs of low-income customers that may lead to products and services applicable also in other markets.

The business sector can support the swift recovery of MSMEs and help them become more resilient to future hazards through:

- **Value chain inclusion:** Facilitating the integration of MSMEs in commodity value chains (e.g. diary, cocoa, fresh produce, coffee, hides and skins)²⁷
- **Business continuity planning guides:** Providing assistance in the development and adoption of effective business continuity plans of key MSMEs in the value chains of larger businesses

²⁴ Broome, J., Campbell, R., Charles, A., (2013) "Natural Disasters: Saving Today, Building Resilience Tomorrow" Research commissioned by Institution of Mechanical Engineers. Retrieved from <http://www.imeche.org/docs/default-source/knowledge/natural-disasters-saving-lives-today-building-resilience-for-tomorrow.pdf?sfvrsn=0>

²⁵ Asia-Pacific Economic Cooperation (2014) "Preparing SMEs for Disaster" Press Feature. Retrieved from http://www.apec.org/Press/Features/2014/0324_smes.aspx

²⁶ G.D. Sardana, W.S.B. Dasanayaka, (2013) "Economic recovery from natural disaster: Spotlight on interventions in Tsunami affected micro and SMEs in Sri Lanka's Galle district", *Competitiveness Review*, Vol. 23 Iss: 4/5, pp.384 - 397

²⁷ Ashoka Changemakers (2013) "Building the Businesses that Rebuild After a Disaster". Retrieved from <http://www.changemakers.com/g20media/post-disaster>

- **Diversifying and strengthening livelihoods:** Supporting farmers in adopting new farming activities (such as small-scale livestock, fish ponds, or new crops of higher market value) or non-farm activities (such as local handicrafts) and helping introduce modern farming practices
- **Market development:** Linking producers to markets, suppliers and entrepreneurs and helping identify new or underserved markets for produce, handicrafts or local service provision
- **Establishing or restoring micro distribution and retail outlets:** Including community vendors in micro distribution and retail models and building their capacity through business skills training.²⁸ Firms with established micro distribution and retail outlets in affected communities can directly support community merchants in the aftermath of a disaster through the provision of funding or in-kind donations to restock goods and rebuild business premises.
- **Smallholder procurement and local sourcing practices:** Through efficient aggregation methods and customised support

programmes business can help build capacity of MSMEs (including smallholder farmers, small-scale producers, and fishermen) and turn them into reliable sources of quality supply. Modalities of support can include business development, agricultural extension, access to agricultural inputs, and credit (e.g. input sales on credit, cash loans, access to third-party financing).²⁹

- **Advocacy:** Advocating for greater integration of MSMEs in national disaster risk reduction plans, diversification of economic activities and secure land tenure for marginalised groups.

Vietnam: Asia Foundation and Vietnamese training institutions – Strengthening disaster risk management capacities of small- and medium-sized enterprises

The ability of small- and medium-sized enterprises (SMEs) to re-establish operations and continue to provide employment to local workers is important to the recovery of disaster-affected communities.

²⁸ Jenkins, B; Ishikawa, E; Geaneotes, A; Baptista, P; and Masuoka, T (2011). Accelerating Inclusive Business Opportunities: Business Models that Make a Difference. Washington, DC: IFC. Retrieved from <http://www.ifc.org/wps/wcm/connect/12216300487cbe85bbddf51e3a7223f/InclusiveBusinessReport2011.pdf?MOD=AJPERES>

²⁹ Ibid.

Although Vietnam's SMEs employ around 80 per cent of the country's workforce and produce more than 10 per cent of its gross domestic product, many of them remain ill-prepared for disasters. Fifty per cent of the Central Vietnamese companies surveyed by the Asia Foundation in 2011 lacked emergency response and disaster management plans.

With USAID support, the Asia Foundation developed a Disaster Risk Management (DRM) training curriculum through which more than 1,200 individuals, including staff from over 800 SMEs in 14 disaster-prone coastal provinces, were trained. Vietnamese training institutions delivered the training. Over 120 trainers from 60 institutions and seven training hubs were supported in integrating DRM into their courses. In 2014, the Asia Foundation also began integrating

a condensed version of the DRM course in commercial business development training programmes.

Following Storm Nari that hit Vietnam's central region in October 2013, the Foundation's partner, Vietnam Chamber of Commerce and Industry (VCCI) Da Nang conducted a quick informal survey of around 50 businesses that had attended the training courses. Nearly all of the businesses surveyed said that they had applied the knowledge gained from the training in their businesses ahead of Nari. Over half also noted that preparation reduced the damages they would have otherwise suffered.

Large firms that see important parts of their value chain exposed to recurrent risks from natural disasters can benefit from funding DRM trainings targeted at SMEs in order to help suppliers, distributors and customers be better prepared and recover more swiftly from disaster related interruptions and damages.

Sources:

Michael DiGregorio, Vietnam Country Representative, The Asia Foundation. Personal Interview, 16 June 2014

The Asia Foundation (n.d.) "Supporting Business to Build Community Resilience to Disaster" Slideshow retrieved from <http://asiafoundation.org/media/view/slideshow/102/supporting-business-to-build-community-resilience>



Philippines: Philippine Business for Social Progress in partnership with Cargill – Restoring and strengthening the coconut industry after typhoon Haiyan

The 2013 typhoon Haiyan (locally named Yolanda) devastated the coconut sector of the Philippines, damaging or destroying some 33 million trees and with it the livelihoods of more than one million local tenant farmers. The coconut industry in the Philippines contributes to the livelihoods of one in every five Filipinos and most of the tenant farmers rely solely on coconut trees for their livelihood.

Given that coconut trees take six to eight years to reach productivity and fast growing alternative varieties would not survive typhoons of a lesser velocity than typhoon Haiyan, there is dire need to help small-scale coconut farmers not only recover their livelihoods but also secure alternative sources of income. Diversifying the livelihoods of these tenant farmers is vital in helping them be better able to cope with future hazards. This also provides the opportunity to strengthen the Philippines coconut industry and make it more competitive in the fast growing international market for coconut water and oil. Even before typhoon Haiyan international demand for coconut products far exceeded production capacity.

In response to the typhoon, Cargill Philippines entered into a US\$250,000 partnership with the Philippine Business for Social Progress (PBSP) designed to rehabilitate coconut-farming communities in parts of Leyte province, the country's second highest coconut producing region. PBSP is a private sector network supporting disaster recovery efforts in the Philippines.



Cargill and PBSP undertake the project in collaboration with the Philippine Coconut Authority (PCA), the Department of Agriculture (DA), Visayas State University (VSU) - Villaba Campus and the local government of Tabango, Leyte.

The initiative helps to:

- Establish a coconut nursery for the propagation of seedlings: The nursery is expected to supply 70,000 seedlings a year for long-term coconut rehabilitation in the municipality and the surrounding areas.
- Rehabilitate coconut farms: 150 hectares will be planted with a fast growing coconut variety and intercropped with corn as a short-term gestating crop. This will be rolled over three more times at 150 hectares per cycle until the middle of 2016, to achieve a cumulative reach of 600 hectares over two years.



- Establish two demonstration farms: Two 5,000 square meter demonstration farms will promote cash crop production as a source of income and food for the farmers while waiting for the coconut trees to bear fruit. The demonstration farms will showcase appropriate integrated farming systems technologies such as vegetable production, fish farming, and backyard poultry and livestock raising, among others.
- Train 400 farmers: Coconut farmers will receive training on Integrated Farming Systems from PBSP's Centre for Rural Technology Development (CRTD) and be organised into a farmers' association whose leaders will also receive development, financial management, and project management training, among others, in order to ensure the sustainability of the programme.

Down the road, the project is designed to allow for the development of an inclusive business model for Cargill, that may involve, but is not limited to, the sourcing of coconut materials as well as other produce from the initiative's intercrop/cash crop selection for use in its primary product processing operations. It is also envisioned to successfully link Cargill's core coconut business to efforts aimed at reducing poverty among coconut farmers.

Sources:

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Food and Agriculture Organization of United Nations (2014) "FAO and Canada to help Philippine coconut farmers rehabilitate their livelihoods hit hard by Typhoon Haiyan". Retrieved from <http://www.fao.org/news/story/en/item/223328/icode/>

Kripke, G., (2013) "The Philippines could use some help rebuilding it's coconut industry after the typhoon". The Politics of Poverty: ideas and analysis from Oxfam America's policy experts. Retrieved from <http://politicsofpoverty.oxfamamerica.org/2013/11/rihanna-madonna-are-you-listening/>

04 A call to action

With this paper we aim to outline an agenda for action that drives concerted efforts by all sectors to reduce disaster risks, build preparedness for effective response and support sustainable recovery. Only through coordinated and collaborative efforts can disaster-prone economies in the Asia-Pacific withstand and recover from natural hazards.

The business, humanitarian and government sectors all play a role in identifying and leveraging each other's core competencies and comparative advantages in building capacities for disaster response and recovery at all levels.

This paper provides practical suggestions for more strategic business engagements in collaborative efforts and the following lists principles intended to guide businesses contributions and engagements:

1

Work in collaboration with the humanitarian, development and government sector that have a good understanding of community needs, with an emphasis on vulnerable and marginalised people

2

Conduct or support thorough assessments to ensure interventions do not lead to market distortions, environmental damage, aid dependency and other unintended consequences

 3

Build local capacity for sustainable recovery and effective preparedness and empower communities to lead their own recovery process

 4

Support livelihood-based approaches that reduce vulnerabilities and build resilience through the strengthening of income-generating activities and the provisions of innovative financial services

 5

Aim to improve the long-term development prospects of affected communities and help make provisions for a more sustainable development, protecting ecosystems and reducing poverty

Supporting vulnerable communities, those most exposed to and least able to withstand natural hazards, is a key theme of this paper. We believe that helping these communities prepare for and recover from natural hazards is a shared responsibility of government, humanitarian organisations, businesses and the general public.

With this paper we highlight achievable entry points for collaborative efforts, which we hope will be embraced by all sectors.

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Prudence Foundation embodies the long-term and heartfelt commitment of Prudential's people in Asia to provide innovative, focused, and practical support to their local communities. Through meaningful contributions to sustainable initiatives focused on Children, Education, and Disaster Preparedness & Recovery, we aim to make lasting contribution to Asian societies.



ABOUT CSR ASIA

CSR Asia builds capacity and promotes awareness of corporate social responsibility (CSR) in order to advance sustainable development across Asia. Through our expanding global presence and our team of specialists, we provide cutting-edge research, strategy advisory, networking and executive education services with an informed understanding of evolving CSR issues on the ground. Our offices in Hong Kong, Malaysia, Thailand, Japan, Singapore, Australia and the United Kingdom and our partnerships in Vietnam, Bangladesh and Indonesia, contribute to tackling the sustainability challenges facing the region.

