

Regional: Strengthening Disaster Resilience of Small and Medium Enterprises in Southeast Asia

Project Name	Strengthening Disaster Resilience of Small and Medium Enterprises in Southeast Asia				
Project Number	48436-001				
Country	Regional				
Project Status	Closed				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	TA 8867-REG: Strengthening Disaster Resilience of Small and Medium Enterprises in Southeast Asia				
	Integrated Disaster Risk Management Fund US\$ 225,000.00				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration				
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development				
Sector / Subsector	Industry and trade - Small and medium enterprise development				
Gender Equity and Mainstreaming	Some gender elements				
Description	The R-S-CDTA will enhance the capacity of selected Southeast Asian developing member countries (DMCs) of the Asian Development Bank (ADB) to support small and medium enterprises (SMEs) in strengthening their disaster resilience. In April 2014, ADB approved an Operational Plan (Operational Plan) for Integrated Disaster Risk Management (IDRM), 2014-2020, which is based on a vision of disaster resilience, and highlights three key requirements to achieve this vision_ (i) the integration of disaster risk reduction into development; (ii) actions to address the intersection between disaster risk management (DRM) and climate change adaptation (CCA); and (iii) initiatives to ensure that there are adequate financing arrangements in place to reduce risk and to manage and transfer residual risk. In February 2013, ADB established the Integrated Disaster Risk Management Fund (Fund) with financing from the Government of Canada. The Fund supports the development of innovative regional solutions for DRM in Southeast Asian DMCs and is in line with the IDRM Operational Plan's cross-cutting action for stakeholder engagement. The priorities of the fund include, among others, (i) support to private sector stakeholders in strengthening disaster resilience; (ii) introduction of new regional approaches for increasing investments in DRM; and (iii) support to regional cooperation on DRM. The proposed R-S-CDTA, to be financed by the Fund, will support specific outputs of the Asian Disaster Preparedness Center's (ADPC) regional project on _Strengthening Disaster Resilience of Small and Medium Enterprises There is a growing concern in Asia and the Pacific regarding the impact of disasters on SMEs and the macroeconomic consequences, both in terms of loss of productive capacity and ability to recover. This innovative regional initiative will help raise awareness of the need for strengthened resilience of SMEs in the participating DMCs, support DMC agencies in identifying DRM needs, strengthening capacity and developing longer-term actions				

Project Rationale and Linkage to Country/Regional Strategy Natural hazards continue to cause significant socio-economic losses in Asia and the Pacific and the private sector often faces a significant brunt of their impact. Ninety percent of the damage and losses incurred as a consequence of the 2011 floods in Thailand was borne by the private sector, particularly the manufacturing sector. So too, more than 90% of damage and losses in the Philippines from Typhoon Yolanda in November 2013 was felt by the private sector, including manufacturers, service providers, cottage industries, and informal businesses.

The impact of disasters on private businesses includes destruction of property and equipment, damage to stocks, loss of revenue due to business interruption, increases in operational cost, and the occurrence of other unexpected expenses. Disasters can affect the long-term economic sustainability of a business, potentially resulting in loss in market share due to the transfer of clients to competitors, the movement of skilled workers, and severed relationships with suppliers and retailers.

SMEs are the largest group of businesses in the Asia and the Pacific region. However, capacities within SMEs to strengthen disaster resilience remains weak, including their capacity to (i) assess disaster risk (starting from the selection of plant location, identifying critical links in the supply chain, mapping relationships within support organizations, etc.); (ii) take actions to reduce the risk faced by employees, infrastructure, stock and supply chains; and (iii) manage the residual risk by implementing business continuity plans (BCPs). BCPs ensure that businesses are protected in the event of a disaster, have the capacity to recover to an operational state within a reasonable period of time, and have systems in place to manage the financial risk.

SMEs can play a pivotal role in strengthening a country's disaster resilience by enhancing their understanding of disaster risk and incorporating disaster risk considerations into investment-related decisions.

Impact

Strengthened disaster resilience of small and medium enterprises (SMEs) in selected Southeast Asian developing member countries (DMCs) of the Asian Development Bank (ADB)

Project Outcome

Description of Outcome	Enhanced capacity of selected DMCs to support SMEs strengther disaster resilience		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	Output 1: Actions identified to strengthen resilience of SMEs Output 2: Enhanced enabling environment for strengthening disaster resilience of SMEs Output 3: Regional knowledge sharing		
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location			

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services ADB will be the executing agency for the R-S-CDTA. The Climate Change Coordination and Disaster Risk Management Unit (RSDD-CD) in the Regional and Sustainable Development Department (RSDD) will have the overall responsibility for the R-S-CDTA. The R-S-CDTA will be implemented by ADPC as part of its regional project _Strengthening Disaster Resilience of Small and Medium Enterprises._ Funding from ADB will be utilized for engaging 2 person-months of international consultants and 18 person-months of national consultants. All consultants will be engaged by ADB through CMS on an individual basis or through a firm, in accordance with ADB's Guidelines on the Use of Consultants (March 2013, as amended from time to time). All consulting services under the R-S-CDTA will be engaged on output-based (lump sum) contracts to reduce administrative burden and improve economy, efficiency and value for money aspect under the R-S-CDTA. The TA will be implemented from December 2014 to May 2016.

Responsible Staff

Responsible ADB Officer

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Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	22 Dec 2014
Last Review Mission	-
Last PDS Update	22 Dec 2014

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
22 Dec 2014	-	22 Dec 2014	31 May 2016	30 Sep 2016	-

Financing Plan/TA Utilization					Cumulative Disburs	sements		
ADB	Cofinancing	Count	Counterpart			Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	225,000.00	0.00	0.00	0.00	0.00	225,000.00	22 Dec 2014	199,167.83

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