



MSME Guide to Disaster Resilience

A guidebook for micro, small, and medium enterprises

**Trabahong Sigurado, Negosyong Matatag,
Kabuhayang Nagpapatuloy**

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***Trabahong Sigurado, Negosyong Matatag, Kabuhayang
Nagpapatuloy***

Acknowledging the need to further promote awareness on disaster resilience among different micro, small, and medium enterprises (MSMEs) in the country, the National MSME Resilience Core Group developed the *MSME Guide to Disaster Resilience*, designed to serve as a reference material for MSMEs in understanding business continuity practices and the basic concepts of disaster risk reduction and management.

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Trade & Industry Building
361 Sen. Gil Puyat Avenue, Makati City
National Capital Region, Philippines 1209



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Messages from the MSME Resilience Core Group

Undersecretary Blesia A. Lantayona

Regional Operations Group
Department of Trade and Industry



The MSME sector plays an important role in ensuring an inclusive socio-economic development not only in the Philippines but also at the regional level. This is evidenced by the Manila Call to Action for ASEAN MSMEs adopted by the Association of South East Asian Nations (ASEAN) in 2017 highlighting the commitment to develop MSMEs as a vital engine in realizing regional prosperity.

Moreover, addressing MSME needs is aligned with the United Nation's sustainable development framework aimed at achieving a better and more sustainable future specifically by addressing issues on poverty, decent work and economic growth, reducing inequalities, and building sustainable cities and communities.

While we recognize the role of the sector, it is equally important to understand how catastrophic events can affect business operations. With this, the Department highlights the impacts of climate change and other risks and ease of undertaking disaster recovery as one of the challenges affecting the MSME sector in its MSME Development Plan 2017-2022. MSMEs should develop understanding on disaster risk and business continuity management (BCM) concepts, practices, and instruments. DTI promotes programs that would enhance MSMEs' resilience to the negative effects of climate change and other risks.

To complement the existing programs, the Department collaborates with various development organizations in the local and international arena. As co-chair of the MSME Resilience Core Group (MSME RCG) composed of government offices and private organizations, I would like to thank all the stakeholders for the support in building the resilience of the MSMEs in the country.

Since 2016, the MSME RCG is committed to strengthening the resilience of the business sector in the country by conducting forums engaging stakeholders in the development of resilience roadmaps and increasing public awareness business continuity management concepts and strategies. This July 2019, the public-private partnership has been reaffirmed to scale up initiatives on business continuity management.

The crafting of this MSME Guide to Disaster Resilience is one of the milestones of the core group. This material is aimed at guiding the business sector in preparing for and/or recovering from catastrophic events, and ensuring the sustainability of the initiatives under the said partnership. With the support of our partners, the crafting of the guidebook was made possible. We are confident that this material will assist the MSME RCG in its advocacy on increasing the number of MSME resilience champions committed to advancing a resilient business sector.

Ambassador Benedicto V. Yujuico
President
Philippine Chamber of Commerce and
Industry



Rene “Butch” S. Meily
President
Philippine Disaster Resilience
Foundation



The Philippine Chamber of Commerce and Industry (PCCI) is proud to be part of the MSME Resilience Core Group that initiated the publication of this MSME Guide to Disaster Resilience. The publication of the guide caps the three-year advocacy program of the group and will be an important tool towards achieving the UN Sustainable Development Goals (SDGs). This will be particularly helpful in addressing SDG Goal Number 11 which promotes resilience to disasters and holistic disaster risk management at all levels in line with the Sendai Framework for Disaster Risk Reduction.

The guidebook will serve as a critical resource material in capacitating our members, composed mostly of small and medium enterprises (SMEs), and our network of chambers of commerce and industry associations nationwide.

As one of the countries most at risk from disasters, it is imperative that our enterprises are equipped with the knowledge to reduce the possible negative effect of both natural and human-induced hazards. This guide, which comes in a very easy-reading format with colorful graphs, photos and images, will definitely be a good resource material for enterprises.

We thank and look forward to continue working the members of the core group, namely Department of Trade and Industry (DTI), Office of Civil Defense (OCD), Philippine Disaster Resilience Foundation (PDRF) and Philippine Exporters Confederation (PHILEXPORT) and other stakeholders in coming up with more products and tools that will make our enterprises grow and at the same time become more resilient.
Mabuhay tayong lahat!

PDRF was borne out of the need for a more organized private sector engagement in disaster recovery and rehabilitation following Typhoon Ketsana (Tropical Storm Ondoy). Ten years later, our organization has grown and our vision has widened. We have seen how communities and businesses can be stronger not only through recovery and rehabilitation, but also through preparedness and mitigation. In our view, disaster resilience can only be brought to reality by working hand-in-hand with every sector, including MSMEs.

The MSME (micro, small, and medium enterprise) sector plays a significant role in promoting economic growth, employment, trade, and innovation. It accounts for 99.52% of the country’s economy and employs 63.19% of the labor force. Among the most pressing challenges facing MSMEs today are the lack of resources and insufficient access to technology and innovation and information on improving business operations. Furthermore, MSMEs in the Philippines are more at risk as they are exposed to both natural and human-induced hazards.

To help address these, PDRF builds the capacity of MSMEs across all regions in the country through business continuity planning, risk financing, and essential disaster risk reduction and management concepts and tools. Together with our partners in the National MSME Resilience Core Group, we launched the MSME Guide to Disaster Resilience, a guidebook that the group developed to take efforts in building the disaster resilience of MSMEs in the country a step further; to provide an accessible, customized guide that equips MSMEs with tools that are essential in keeping their businesses and families safe in times of disaster.

To all MSME owners, and to all who tirelessly work toward empowering MSMEs in the country, this guidebook is our gift to you—a symbol of our commitment. Together, let us harness our collective capacity to inspire positive change.

Undersecretary Ricardo B. Jalad

Executive Director
National Disaster Risk Reduction and
Management Council

Administrator
Office of Civil Defense



Sergio R. Ortiz-Luis Jr.

President
Philippine Exporters Confederation, Inc.



The “whole-of-government” approach espoused by the Philippine Disaster Risk Reduction and Management (DRRM) system calls for the involvement of all sectors in Filipino society in the effort to build resilience. The participation of sectors most affected by disasters like that of the micro, small and medium enterprises (MSMEs) is crucial to the development of a strong grass roots economy.

The MSME Guide to Disaster Resilience is proof of the synergy in the collaborative work of the multi-sector Resilience Core Group in promoting DRRM knowledge to the MSME Sector. Containing informative discussions on the complexities of hazards and disasters, this guidebook would help the MSMEs understand and put into practice DRRM concepts as well as to use tools, like Business Continuity Planning, to realize resilience.

We commend the hard work of the individuals and agencies involved in this milestone accomplishment. Let us strive for the wide distribution of this guidebook to all relevant stakeholders and provide continuous support for the enhancement of national resilience.

My warmest greetings and congratulations to the MSME Disaster Resilience Core Group led by the Department of Trade and Industry and the Philippine Disaster Resilience Foundation for this very relevant and timely Guidebook!

If there is one country that needs a guidebook such as this, it is the Philippines. We know many horror stories that have cost lives, businesses and billions of pesos in infrastructure and property lost to various hazards every year. Note that the book is comprehensive enough to cover disaster situations. If MSMEs and individuals take these Guidebook information and tips to heart, the result will be incalculable savings and growth through readiness and prevention measures.

The book is also easy-reading and MSME-friendly, giving it the appeal that target readers are looking for. Indeed, the importance of MSMEs in the economy cannot be over emphasized, highlighting the fact that they account for some 35% of the country’s gross domestic product and 65% of employment. If fully supported, this sector will continue to be a powerful and major growth engine of our economy.

Finally, the Guidebook and Core Group are also proofs that private and public sector partnership does work. We look forward to continue harnessing the synergies within to contribute to making the country a better and disaster-safe place to live in.

Again, let us make full use of this Guidebook and be empowered!

CHAPTER ONE

Why the need to prepare?

In this chapter, we will discuss:



How natural and human-induced hazards affect micro, small, and medium enterprises in the Philippines



Why preparing for disasters should be important for business owners

Disasters are catastrophic events arising from natural or human-induced hazards that create significant damage in the community and disruption in the functioning of a society.



Natural hazards

Predominantly associated with natural processes and phenomena

Hydrometeorological hazards

Of atmospheric, hydrological, or oceanographic origin



Tropical Cyclones



Floods



Drought



Storm Surge



Tsunami

Geological or geophysical hazards

Originate from internal earth processes



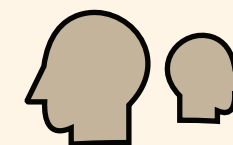
Earthquake



Volcanic Activity



Landslide



Human-induced hazards

Induced entirely or predominantly by human activities and choices



Fires



Accident



Aircraft crash



Pollution



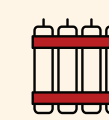
Civic disturbance



Terrorist attacks



Explosions



Armed conflict

Source: United Nations Office for Disaster Risk Reduction (UNDRR)

A disaster gives rise to casualties on properties, infrastructure, environment, essential services, and other human losses that exceed the affected community's capacity to cope using its own resources. Disasters, specifically, can have life-altering effects on individuals and communities, leading to human, material, economic, and environmental losses.

Since 1994, according to a 2014 report by the United Nations, 4.4 billion people have been devastated by disasters which caused \$2 trillion in economic losses and took 1.3 million human lives.¹



In recent years, there has been a reported increase in weather-related disasters. Due to population growth in the country, the social and economic cost of disasters in the country have relatively increased.



14%

Increase in the total average of natural calamities from 2005 to 2014²



274

Number of calamities endured by the Philippines³



130 billion

Number of people affected by the calamities³

Effects of disasters do not stop at the individual level. Greater risks are posed within the community and economic level, as well. One of the most affected sectors in the country are the Micro, Small, and Medium Enterprises (MSMEs). Considering the given figures, the MSME sector is one of the country's major drivers of growth. However, these enterprises also suffer the most when affected by disasters as they are regarded to be relatively resource-constrained and less resilient in comparison with large enterprises.

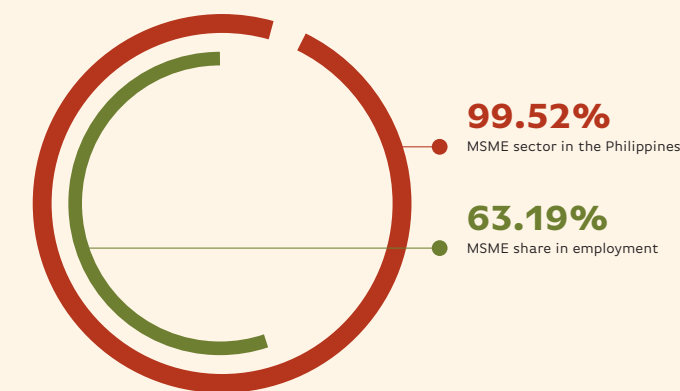
Now is the time for a collective response to reduce risks, strengthen resilience, and achieve sustainable development. As the backbone of several economies worldwide, such as the Philippines, MSMEs also incur higher risks and greater

¹The Devastating Impact of Natural Disasters. (2013, February 6). Retrieved July 10, 2019, from <https://www.childfund.org/Content/NewsDetail/2147489272/>

² Ibid.

³ Santos, E. P. (2016, January 21). Philippines among world's most disaster-prone countries. Retrieved July 10, 2019, from <http://nine.cnnphilippines.com/news/2015/11/25/philippines-fourth-most-disaster-prone-country.html>

As reported by the Philippine Statistics Authority (2018), the country's MSME sector comprises 998,342 or 99.52% of the total number of establishments in the country. These enterprises account for more than half of the share in employment at 63.19% in total.



impacts in times of disaster. Most local businesses in this sector have not done risk-informed planning and disaster preparedness measures in the past. And so, there is a need for MSMEs to work towards minimizing their vulnerability to hazards through the creation and implementation of business continuity plans and disaster resilience programs. Local businesses, with help from the government and concerned public and private organizations, must actively work toward protecting the MSME sector with the aim of outlasting the ravages of any disaster and making our communities as resilient and sustainable as possible.

In this chapter, we will briefly discuss the effects of disasters and explore the possible risks on MSMEs or local entrepreneurship given the lack of a proper framework on Disaster Risk Reduction and Management (DRRM), proper resources, and preparation. We will emphasize the importance of business planning in order to reduce risks and decrease the vulnerability of the MSME sector in the country. It must be realized that this sector is essential in the functioning of a community, as the immediate recovery of a society is heavily dependent on this sector in terms of generating products and services, employment opportunities, and local revenue.⁴



DID YOU KNOW?

The Philippines' longest disaster-free period came about in 2002, where no tropical cyclone entered the Philippine Area of Responsibility for 8 months. This lasted from August 15, 2002 to April 15, 2003.

SOURCE: Workshop of Market Access for MSMEs, Department of Trade and Industry

⁴ Ballesteros, M. M., & Domingo, S. N. (n.d.). Building Philippine MSMEs Resilience to Natural Disasters. Retrieved July 12, 2019, from <https://dirp3.pids.gov.ph/webportal/CDN/PUBLICATIONS/pidsdps1520.pdf>

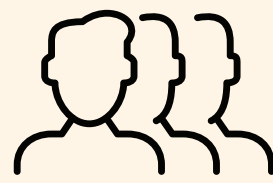
For the last two decades, typhoons and tropical depressions were recorded as the worst disasters in the Philippines.



13,000 casualties



Estimated
USD 5,000,000
cost of damage



45,000,000
affected people

These disasters paralyzed socio-economic activities, impaired local economies, and resulted to the injury and death of many. Impacts were evident on public infrastructure and private properties.

In 2013, the Philippines was affected by numerous natural and human-induced events. Mishaps such as the destruction of marine biodiversity in Sulu, indiscriminate shootings, armed conflict in Zamboanga City, magnitude-7.2 earthquake in Bohol, and Typhoon Haiyan, locally known as Super Typhoon Yolanda, in Western Visayas transpired. Typhoon Haiyan was highlighted as the deadliest wherein the total cost of damages in the agriculture, trade, industry, and services sectors was recorded at almost Php 95.5 billion.⁵

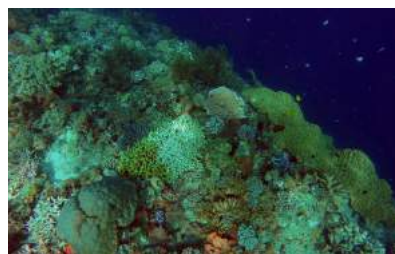


PHOTO BY: SOPHIA DEDACE/WWF-PHILIPPINES



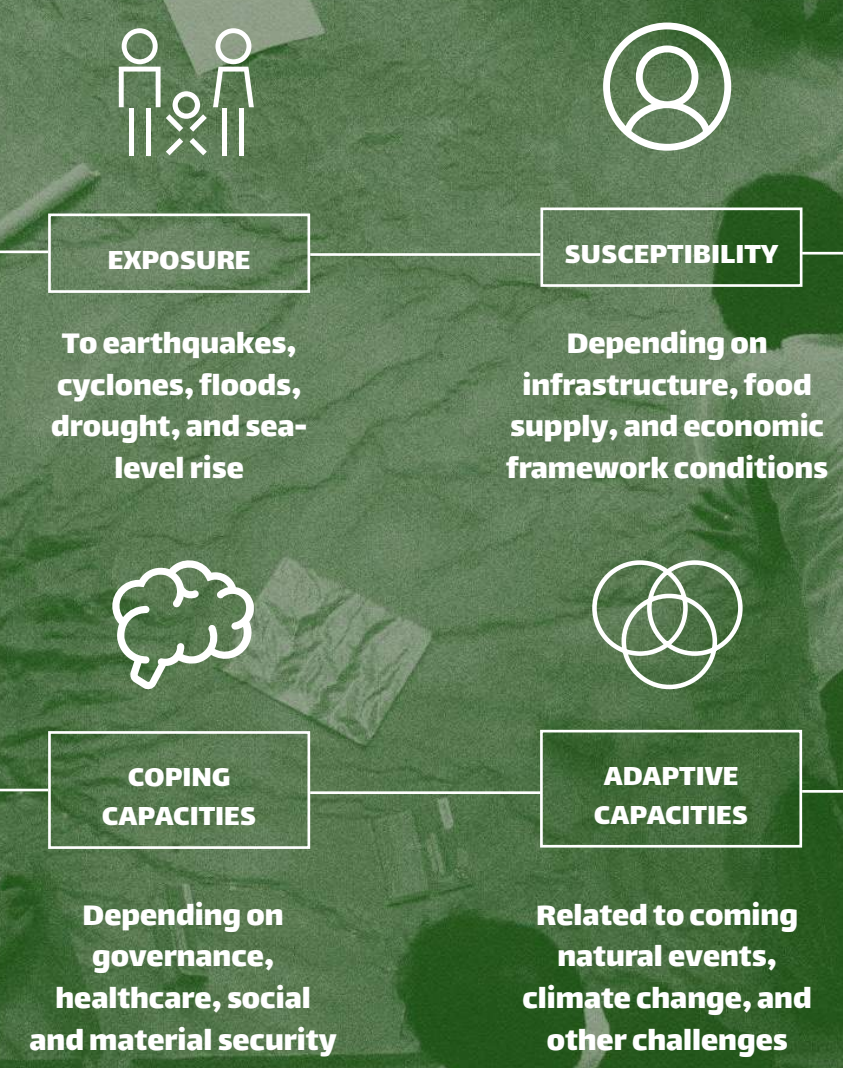
PHOTO BY: REUTERS



PHOTO BY: REUTERS

The 2019 World Risk Report, which indicates the disaster risk of 180 countries in the world, ranks the Philippines as the **ninth most at-risk when it comes to disasters.**

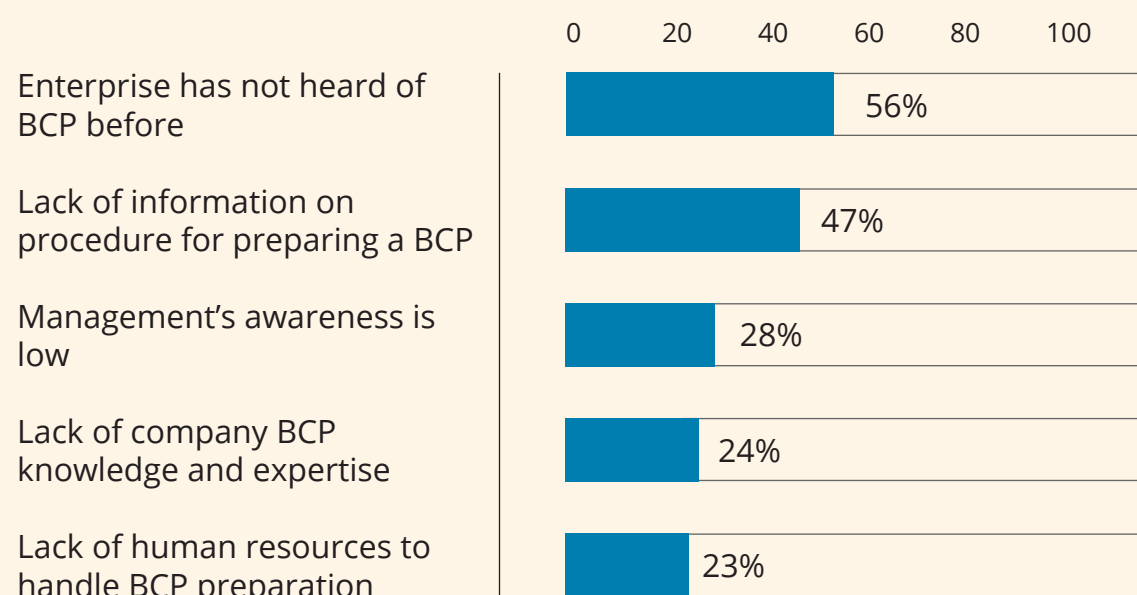
The report, which also examines the topic of water supply, calculates disaster risk based on four components:



⁵ NDRRMC FINAL REPORT re Effects of Typhoon "Yolanda" (Haiyan), 2013

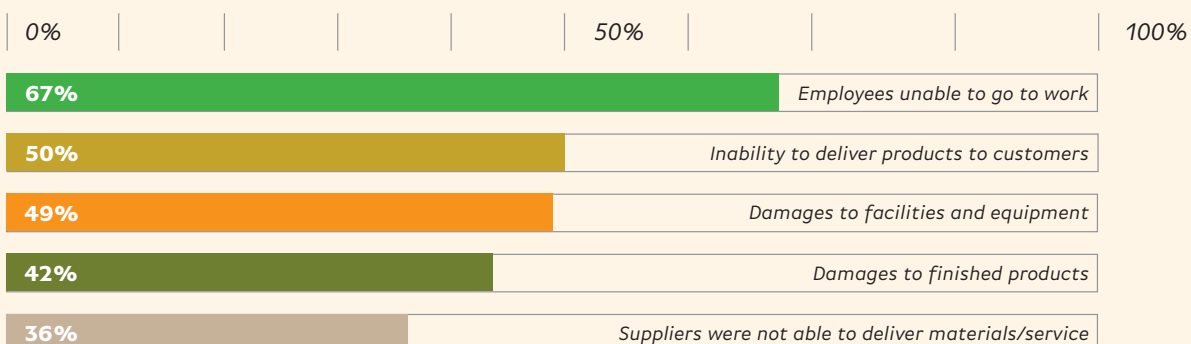
I. WHY THE NEED TO PREPARE?

REASONS FOR NOT PREPARING A BCP



Disruption in business activities impact the ability of local economies in disaster-stricken areas to recover. However, due to competing priorities and low awareness on business continuity, a percentage of MSMEs still continue to operate without an effective business continuity plan in place. Many enterprises have not even heard of business continuity planning before or do not have the technical knowledge and skills to develop their own business continuity plan. This may eventually leave these businesses susceptible to a variety of emerging and existing risks.

DISASTER IMPACTS ON BUSINESSES



In 2015, Asian Disaster Preparedness Center (ADPC) and Department of Trade and Industry (DTI) conducted the Philippine SME Resilience Survey with around 500 MSME respondents from manufacturing, wholesale and retail, agriculture, forestry and fishery, and food sectors. The survey is important in drawing

conclusions about the current level of the sector's disaster risk awareness and business continuity. The table above shows the results of the survey, which reflect employees' inability to go to work as the top disaster impact at 6%.

II. MSME DEVELOPMENT PLAN 2017-2022

The Micro, Small, and Medium Enterprise Development Plan (2017-2022) aims to create more globally competitive, regionally integrated, resilient, sustainable, and innovative MSMEs by establishing five strategic goals, which include:



-  Improved Business Climate
-  Improved Access to Finance
-  Enhanced Management and Labor Capacities
-  Improved Access to Technology and Innovation
-  Improved Access to Markets

The plan also addresses the different challenges affecting the sector's growth and development by including resilience and business recovery under its priority areas.

Disasters can strike without warning, which may cause lasting effects on people and property. Being ready and having a plan in place is crucial in mitigating adverse effects on your businesses by safeguarding lives and minimizing loss of assets, revenue, and customers.

The following chapter will introduce the country's Disaster Risk Reduction and Management Law, briefly discussing the shift from a reactive to a proactive DRRM in the country and introducing the different actors and organizations that take part in the extensive efforts of protecting lives, properties, and businesses in the country.



CHECKPOINT (10 MINS):

From your own understanding, what are the possible impacts of disasters to your:



Home?



Community?



Livelihood?

INSIGHTS FROM MSME OWNERS

“Due to the heavy and continuous rain during Typhoon Urduja last December 2017, our house was submerged in about two meters of water and dirt.

We barely saved any of our belongings as we fled to higher ground to save ourselves. The small tools and equipment I used for processing my banana chips and other root crop chips, along with the newly stocked products, were among those damaged and lost.

When I attended the Business Continuity Planning conducted by DTI-Regional Office 8 last November 27-28, 2018 in Tacloban City, I learned ways about ways of reducing the possible negative effects of both natural and man-made disasters. It was through this seminar that I was convinced to get insurance for my business and family because I don't want to undergo the same troubles as before where we were helpless after the typhoon's devastation. Currently, I am on my second cycle of insurance.

Also, with the BCP I had for my business, my plan to transfer my production to a safer and elevated area is now slowly materializing, as I have now bought the lot where I intend to build my processing center. The BCP I created during the workshop serves as my guide as I continue with the business that has helped me and my family over the years.”



REBECCA CRISOSTOMO
Owner of Bikay Food Products
Sta. Rita, Samar

CHAPTER TWO

Introduction to DRRM Law: The Philippine DRRM System

In this chapter, we will discuss:



The shift from a reactive to a proactive approach to disaster risk reduction and management in the Philippines



The Republic Act 10121 and its role in disaster risk reduction and management in the country

Disasters contribute to a vicious cycle of poverty, preventing individuals, families, and communities from exercising their rights and realizing their ability to develop.¹ To help increase their ability to prevent and prepare for possible hazards, DRRM in the Philippines has shifted from a reactive or “response-oriented” approach to a proactive approach, leaning towards adopting measures on preparedness, prevention, and mitigation. This approach focuses on using directives, skills, and capacities that would implement strategies and policies to eventually lessen the impacts and possibilities of disasters.

As a result of casualties and damages caused by Typhoon Ketsana, locally known as Tropical Storm Ondoy, in 2009, the Republic Act (R.A.) No. 10121 was created. Known as the Philippine Disaster Risk Reduction and Management Act of 2010, this serves as the legal and institutional basis for the country's framework in dealing with natural and human-induced hazards and providing a more efficient structure and response mechanism for communities and organizations. R.A. 10121 provides a multi-sectoral, inter-agency approach to disaster risk management. It encourages participation from the private sector, local government units (LGUs), non-governmental organizations (NGOs), civil society organizations (CSOs), community members, and volunteers in disaster management. It aims to strengthen the community's ability to maintain basic functions and recover from disasters by shifting its focus from disaster response to disaster risk reduction.

Legal Basis	Presidential Decree 1566 of 1978	Republic Act 10121 of 2010
Focus	1. Disaster Response	1. Disaster Risk Reduction and Management (All Thematic Areas)
Decision-making Approach	2. Top-down and centralized disaster management	2. Bottom-up and participatory DRR
Concept	3. Disasters are brought about by physical hazards	3. Disasters are brought about by the confluence of hazard, exposure, and high level of vulnerability
Activities	4. Focused on disaster response	4. Comprehensive planning to reduce disaster risks

Source: Office of Civil Defense / National Disaster Risk Reduction and Management Council

Through the DRRM Act, MSMEs and communities gain financial assistance through the creation of a calamity fund dedicated to disaster risk reduction or

¹ Ani, P., Daquio, C. and Aquino, A. (2015). Republic Act 10121: An Approach in Strengthening Disaster Risk Reduction and Management in the Philippines. [online] Ap.fftc.agnet.org. Available at: http://ap.fftc.agnet.org/ap_db.php?id=405.

mitigation, prevention, and preparedness activities for the potential occurrence of disasters and not only for response, relief, and rehabilitation efforts.²

This provision allows LGUs to utilize 70% of the total calamity fund on risk-reduction activities and 30% on quick response measures.³ In return, MSMEs reduce their vulnerabilities, strengthen their resilience to ensure the health and safety of the employees, build client confidence, and minimize economic losses.⁴

The National Disaster Risk Reduction and Management Council (NDRRMC), as the highest organization and authorized body in DRRM in the Philippines, is mandated to respond to natural calamities and monitor human-induced emergencies.

The Plan aims to achieve its vision of having safer, adaptive and disaster-resilient Filipino communities towards sustainable development by reaching long term goals which are divided into the four (4) priority thematic areas, namely, a) Disaster Prevention and Mitigation; b) Disaster Preparedness; c) Disaster Response; and d) Disaster Recovery and Rehabilitation. These priority areas support and strengthen each other, focusing on assessing needs and harnessing strengths in order to reduce people's vulnerabilities and increase their capacities.

Four Priority Thematic Areas



² Climate-laws.org. (2020). Philippine Disaster Reduction and Management Act (RA 10121). [online] Available at: <https://climate-laws.org/cclow/geographies/141/laws/1549>.

³ Mendoza, V. (2011). Philippines: New disaster reduction law strengthens self-reliance - Philippines. [online] ReliefWeb. Available at: <https://reliefweb.int/report/philippines/philippines-new-disaster-reduction-law-strengthens-self-reliance>.

⁴ Upd.edu.ph. (2019). University of the Philippines Diliman. [online] Available at: <https://upd.edu.ph/towards-disaster-resilient-msmes/>.

Led by the Department of Science and Technology

- Geared towards avoiding hazards and mitigating potential impacts by reducing vulnerabilities and exposure
- Enhancing the capacities of communities through sound and scientific analysis of the various underlying factors



Disaster Prevention and Mitigation

- Hazards and risk assessment
- Vulnerability analyses
- Identification of hazard-prone areas
- Development of early warning systems
- Structural and non-structural interventions
- Developing policies, ordinances and laws
- Mainstreaming DRRM and Climate Change Adaptation (CCA) into development plans

Headed by the Department of the Interior and Local Government

- Focuses on establishing and strengthening capacities of communities to anticipate, cope and recover from the negative impacts of emergency occurrences and disasters



Disaster Preparedness

- Increasing awareness and capacities of individuals, institutions and communities in DRRM
- Contingency planning
- Pre-positioning and stockpiling
- Conduct of local drills and simulations
- Organizing responders
- Development of national and local disaster preparedness policies, plans and systems
- Public Service Continuity Planning (PSCP) for government agencies and entities
- Business Continuity Planning (BCP) for the private sector

Led by the Department of Social Welfare and Development

- Aims to provide life preservation and meet the basic subsistence needs of affected population based on acceptable standards during or immediately after a disaster and quickly restore basic social services



Disaster Response

- Contingency plan activation
- Rapid damage and needs assessment
- Evacuation
- Search, rescue and retrieval
- Management of evacuation centers
- Relief operations
- Psychosocial first aid
- Early recovery activities

Headed by the National Economic and Development Authority

- Targets restoring and improving facilities, livelihood and living conditions, and organizational capacities of affected communities and reducing disaster risks in accordance with the “build back better” principle



Disaster Rehabilitation and Recovery

- Post-disaster needs assessment
- Review of policies and plans to improve DRRM mechanisms
- Housing and resettlement
- Repair and restoration of infrastructure and lifeline facilities
- Revival of economic activities
- Provision of new sources of livelihood

DID YOU KNOW?



The first time the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) issued a Tropical Cyclone Warning Signal No. 5 was in October 16, 2016, over Cagayan and Isabela, as Super Typhoon Lawin approached and made landfall with winds of 225 kph and gustiness of up to 315 kph.



CHECKPOINT (10 MINS):

Below is a checklist of relevant services and programs championed in each of the NDRRM Plan 2011-2028.



Prevention & Mitigation

- Early Warning Systems
- Hazard Maps
- Structural and non-structural interventions



Preparedness

- First Aid and Basic Life Support Training
- Contingency Planning
- Earthquake Preparedness Training and Drills
- Insurance



Response

- List of evacuation centers nearby
- Emergency Go Bag



Rehabilitation and Recovery

- DTI Services

“I am engaged in sugar processing and producing by-products of sugarcane, and I learned a lot from this [business continuity] training.”

Because though I'm a bit aware of the impact of climate change, because of this workshop I was able to organize my thoughts, the things I need to do to be prepared in times of calamity.

I'm grateful to PDRF for this training, not just because I can implement this in my organization, but also because I can cascade or share this to my affiliations like the Provincial Agrarian Reform Coordinating Committee, in which I am representing the agri-cooperatives and serving as the OIC [Officer-in-Charge] / Chairperson."

Pacay was one of the MSME owners selected by DTI Regional Office II to be part of the two-day Training-Course on Business Continuity for MSMEs conducted in Tuguegarao City, Cagayan Valley last December 2018. Led by PDRF in partnership with DTI and through the support of the Asian Preparedness Partnership (APP), the training-course aims to enable and guide MSMEs in developing their own business continuity plans by increasing their knowledge of and appreciation for key concepts and practices on business continuity. The course also relates the process to risk assessment and contingency planning.



LORETO PACAY, JR.
Enterprise Owner
Tuguegarao City, Cagayan
Province

Disasters can strike without warning which may cause lasting effects on people and property. Being ready and having a plan in place is crucial in mitigating adverse effects on your businesses by safeguarding lives and minimizing loss of assets, revenue, and customers.

PRODUCER/
PROCESSOR





TEAM

MASIPAG

CHAPTER THREE

Preparing Your Business

In this chapter, we will discuss:

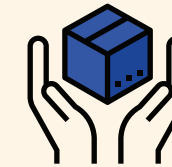
-  Knowing the Important Activities within the Business
-  Identifying Resources Needed by the Business
-  Understanding My Business' Disaster Risks
-  Planning for Preparedness, Response and Recovery

I. KNOWING THE IMPORTANT ACTIVITIES WITHIN THE BUSINESS

Planning should include knowing how the business will be able to recover once impacted by a disruptive scenario. Determining which activity within the business should be recovered first will help in an orderly and timely recovery.

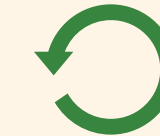
GUIDE QUESTIONS TO ASK IN IDENTIFYING PRIORITIZED ACTIVITIES:

1



What is the lifeline product or service of your enterprise?

2



Which product or service should be recovered first?

3



Which business activity makes a top selling product?

RESILIENT BUSINESS TOOLKIT

Business Continuity Planning Workbook

SECTION 3: KNOWING YOUR RESOURCE REQUIREMENTS AND IMPORTANT BUSINESS ACTIVITIES (PRIORITIZED ACTIVITIES)

RESOURCES NEEDED

- 1. PEOPLE:** "How many people are needed to perform a business activity?"
- 2. EQUIPMENT:** "What vital equipment do you need to perform the business activity?"
- 3. RAW MATERIALS:** "What resources are needed? Who are your critical suppliers?"
- 4. UTILITIES:** "What utility services (e.g., power, water, connectivity) do you need to perform the business activity?"

BUSINESS ACTIVITIES

1. "What activities are needed to be performed by the enterprise?"
2. "What activities should be protected against possible disruptions?"
3. "What activities should be recovered or performed immediately in order for the business to remain operational?"

II. IDENTIFYING RESOURCES NEEDED BY THE BUSINESS

ASK YOURSELF: "What will you do if there are no telecommunication services, no connectivity, no banking services, no accessibility/logistics services?"



Identify what resources are needed in order for the business to operate:

Internal Resources

- Building
- Equipment
- Personnel
- Raw materials
- Inventory

Essential Utilities

- Fuel
- Power
- Telecommunications
- Water

Business Partner

- Vital suppliers
- Major clients
- Telecommunications
- Government institutions

III. UNDERSTANDING MY BUSINESS' DISASTER RISKS

MSMEs constitute a large chunk in terms of contributing to the country's economic growth and employment generation. To strengthen the presence and the continuous contributions of the MSMEs in the Philippines, we must understand how disaster risks easily threaten an enterprise and its prioritized actions, processes, partners, and products.

Some basic terms to understand:



HAZARD

Any situation or human activity that may potentially cause loss of life, damage to property, disruption of social and economic processes, or environmental degradation¹



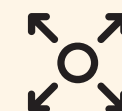
EXPOSURE

The situation of people, properties, production capacities, and other assets in hazard-prone areas that are subject to potential losses²



VULNERABILITY

The conditions determined by physical, social, economic and environmental factors, which increase the susceptibility of a community or an individual and reduce their ability to prepare for and cope with the impact of hazards³



CAPACITY

The combination of strengths and resources present in a community or organization that may help reduce vulnerabilities and strengthen resilience⁴



RISK

The potential loss of life, injury, or destroyed or damaged assets which could occur to a system, society or a community in a specific period of time⁵

WHAT IS THE CONCEPT OF RISK?

$$\text{RISK} = \frac{\text{HAZARD} \times \text{VULNERABLE} \times \text{EXPOSURE}}{\text{CAPACITY}}$$

¹ Undrr.org. (2020). United Nations Office for Disaster Risk Reduction. [online] Available at: <https://www.undrr.org/#letter-h>.

² Ibid.

³ UN-SPIDER Knowledge Portal. (2020). Disaster Risk Management. [online] Available at: <http://www.un-spider.org/risks-and-disasters/disaster-risk-management>.

⁴ UNDRR Org.

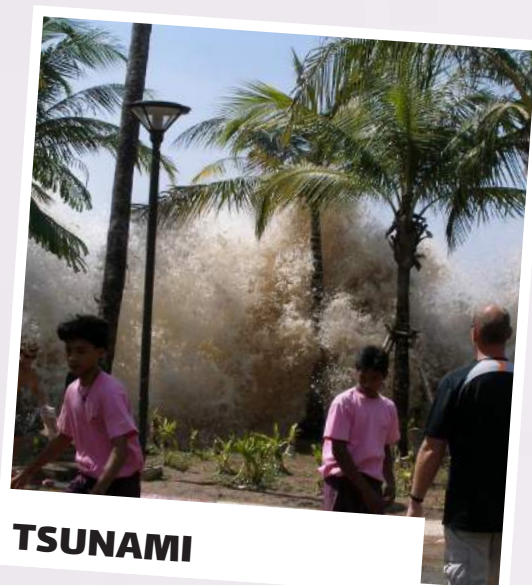
⁵ UN-SPIDER Knowledge Portal.

What hazards can

affect an MSME?



VOLCANIC ERUPTION



TSUNAMI



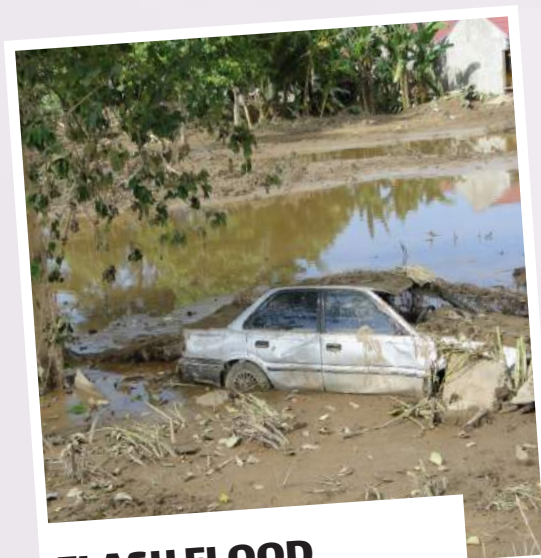
FIRE INCIDENTS



POWER SHORTAGE



EL NIÑO



FLASH FLOOD



CIVIL UNREST



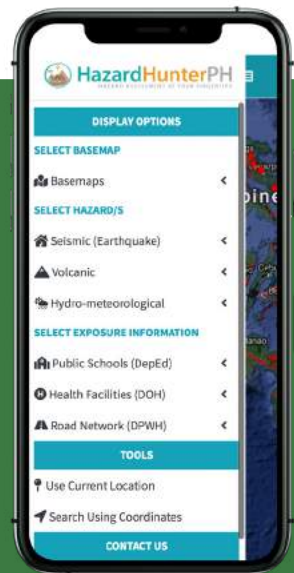
EPIDEMICS

UNDERSTANDING YOUR DISASTER SCENARIOS

- **QUESTION 1:** What are the possible threats to your business? Think of possible threats that can affect your business.
- **QUESTION 2:** How can these threats affect your business? Think in terms of how your business (store facility, equipment, products), your employees, your customers and other business partners will be affected.
- **QUESTION 3:** What is the likelihood that this will happen to your business? Think in terms of the following simple likelihood rating of 1-5:

RATING	IMPACT LEVEL	DESCRIPTION
● 5	Almost Certain	There is an 81% - 100% chance of the event occurring.
● 4	Likely	There is a 61% - 80% chance of the event occurring.
● 3	Possible	There is a 41% - 60% chance of the event occurring.
● 2	Unlikely	There is a 21% - 40% chance of the event occurring.
● 1	Rare	There is 1% - 20% chance of the event occurring.

REMEMBER: You are analyzing the occurrence of the risk (e.g., potential damage to products and store equipment, impact to employees) and not the occurrence of the hazard.



Did You Know?

IN JULY 2019, the Department of Science and Technology created the "Hazard Hunter," a mobile application that can detect natural hazards at any location. This is a useful tool in identifying the disaster risks in your area of business.

VISIT [HTTPS://HAZARDHUNTER.GEORISK.GOV.PH/](https://hazardhunter.georisk.gov.ph/)

- **QUESTION 4:** If the scenario happens, how will this affect your business? What will be the impact? Think in terms of the following impact rating of 1-5:

RATING	IMPACT LEVEL	DESCRIPTION
● 5	Extreme	Determine impact, from extreme (5) to incidental (1), based on the following questions: <ul style="list-style-type: none"> • On People: "Will my employees or customers be harmed or injured? Will this affect their safety?" • On Profit: "Will my business profit be affected? Will I suffer financial loss?" • On Reputation/Brand Image: "Will this lead to negative customer feedback which can affect my business/ brand image?"
● 4	Major	
● 3	Moderate	
● 2	Minor	
● 1	Incidental	

CHECKPOINT:

List down some examples for the following concepts related to risk:

- Hazard
- Vulnerability
- Capacity

Using Hazard Hunter, identify your business location's exposure to the following:

- Seismic Hazards
- Volcanic Hazards
- Hydrometeorological Hazards

- **QUESTION 5:** What is the business currently doing to protect itself from these potential scenarios?

THREAT IDENTIFICATION AND RISK ASSESSMENT					
What are possible threats to my business?	How will this affect my business (What will be the risk)?	What is the likelihood that this will happen? (Likelihood; Rating of 1-5)	If it happens, how badly will it affect my business? (Impact; Rating of 1-5)	Risk Score (Likelihood x Impact)	What is my business currently doing to control these risks?
Fire					
Earthquake					
Tropical Cyclone/Typhoon					
Others					



Did You Know?

PDRF, IN PARTNERSHIP WITH UPS FOUNDATION, recently launched the **"Katatagan in a Box"** mobile application, which helps enterprise owners accomplish their own business continuity planning toolkits and helps them assess the disaster preparedness of their enterprises.

IV. COMING UP WITH A PLAN

RESILIENCE STRATEGIES

In developing your emergency preparedness plan, it is important that your enterprise has resilience strategies in place that can help you during a disaster. Come up with your own Resilience Strategies for your resources (people, equipment, stocks, building, records, business partners and suppliers) during disaster preparedness, response, and recovery.

RESOURCES TO PROTECT	DISASTER PREPAREDNESS MEASURES (What to do before?)	DISASTER RESPONSE MEASURES (What to do during?)	BUSINESS CONTINUITY AND RECOVERY (What to do to recover and continue the business?)
People			
Equipment			
Stocks or Inventory			
Building/Facility			
Records			
Business Partners and Suppliers			

EMERGENCY PREPAREDNESS CHECKLIST

Accomplish the Emergency Preparedness Checklist by indicating the quantity of the supplies and tools that your enterprise can use in the event of a disaster. Learn how to protect and increase your enterprise’s resilience. This checklist will help you get started.

EMERGENCY EQUIPMENT AND TOOLS	QUANTITY NEEDED	EMERGENCY EQUIPMENT	QUANTITY NEEDED	EMERGENCY SUPPLIES	QUANTITY NEEDED
Batteries		Tape (duct, masking, electric)		Whistle	
Fire Extinguisher		Extension Cord/s		Malong or Sarong	
Ropes		Communication-devices (two-way radio, cellphone)		Toothpaste and Toothbrush	
Hard Hats/Helmet		Battery-powered items (fans, lamps, etc.)		Soap and Shampoo	
Utility Knives		EMERGENCY SUPPLIES	QUANTITY NEEDED	Support for Getting People Home	
Hammer		Drinking Water (3 liters/person for 3 days)		Local Maps	
Pliers		Emergency Food Supply (3 day-supply per person)		Notepad and Pencil	
Crow Bar		Sanitation Supplies (toilet paper, sanitary napkin, etc.)		IMPORTANT OFFICES TO CONTACT:	ADDRESS/ MOBILE NUMBER/ LANDLINE
Spill Kit		Eating Utensils (plates, cups, spoon and fork)		Bureau of Fire Protection	
Broom and Mop		Plastic or Garbage Bag		Local Water District	
Bucket and Pail		Blankets or Sleeping Bag		Electric Cooperative	
Disinfectant		First Aid Kit		Hospital/Clinic	
Shovel		Flashlight		Local Disaster Risk Reduction and Management Office	
Cloth Rags		Can Opener		Municipal Police Station	
Gloves		Plastic or Garbage Bag		Barangay	
Ladder		Blankets or Sleeping Bag		Others:	

IMPORTANT DOCUMENTS					
Insurance (All-Risk, TPL, HMO’s, Life)					
Line of Credit/Extended Payment Options					
Supply Agreements/Equipment/Facilities Maintenance Contracts					

“We learned a lot from the [business continuity] discussion because, first of all, Region II is not exempted from calamities like typhoons, earthquakes, and likewise, land traffic and so on.



ENGR. EFREN DELA CRUZ
Senior Trade Development Specialist
DTI Region II Provincial Office

The learnings that we got from this seminar will help us in our advocacy, in making our MSMEs more resilient in all their endeavors, especially that most of our MSMEs are engaged in possessing aggregates and crops. All of these learnings will also be cascaded to them, so that all of them can maximize their productivity next year.”

Dela Cruz was one the DTI personnel who participated in the Training-Course on Business Continuity Planning for MSMEs held last December 2018 in Tuguegarao City, Cagayan Valley (Region II). Located in the northeastern part of Luzon island, the region is prone to natural hazards such as tropical cyclones and earthquakes.



CHECKPOINT (10 MINS):



Use the following toolkits found in the next pages:

- PDRF Business Continuity Plan Roadmap (p. 47-48)**
- Resilient Business Toolkit (p. 49-52)**

PDRF BUSINESS CONTINUITY PLAN ROADMAP

Accomplish this Business Continuity Roadmap to help you in preparing and strengthening your enterprise's preparedness and resilience. This is recommended for micro enterprises.

<h3>BUSINESS CONTINUITY ROADMAP OF</h3> <hr/> Name of Enterprise PREPARED BY: APPROVED BY: EFFECTIVE DATE: MAIN PRODUCT/SERVICE:	BC Team BC Leader Alternate BC Leader First Aid Evacuation Marshal Damage Assessment	Name and Position	Contact Numbers	E-mail Address
	BUSINESS CONTINUITY OBJECTIVE: "To..."			

What are your company's major activities?

What are the resources needed to do these activities?

Internal Resources (e.g. employee, building, equipment, technology, records)

Essential Utilities (e.g., electricity, water, telecommunications)

Business Partners (e.g., clients, suppliers, industry partners, institutional partners)

What are the risks to these resources?

Hazard	Likelihood (1-5)	Severity (1-5)	Risk Score (LxS)
Fire			
Earthquake			
Tropical Cyclone			
Flood			
Landslide			
Drought			
Others:			

EMERGENCY CONTACT LIST

AGENCY	CONTACT NO.
Bureau of Fire Protection	_____
Local Water District	_____
Electric Cooperative	_____
Hospital/Clinic	_____
Local Disaster Risk Reduction and Management Office	_____
Police Station	_____
Barangay	_____
_____	_____
_____	_____

What should be done to prepare for, respond during, and recover after a disaster?

Resources	Preparedness and Protection	Response	Recovery
Internal Resources			
Essential Utilities			
Business Partners			
Finances			

What is my target time for recovering these activities?

What activities should be recovered first after a disaster?

RESILIENT BUSINESS TOOLKIT

An advanced version of the Business Continuity Roadmap, the Resilient Business Toolkit functions as an all-in-one template containing the most essential information needed for a basic business continuity plan for small and medium enterprises.

SECTION 1: ABOUT THE BUSINESS

Business Name: _____
 Business Owner/Representative: _____
 Business Contact Information: _____
 Telephone: _____
 Address: _____
 Industry: _____

BC Plan Prepared By

Name: _____
 Position: _____
 Date: _____

BC Plan Approved By

Name: _____
 Position: _____
 Date: _____

SECTION 2: THE BUSINESS CONTINUITY AND EMERGENCY RESPONSE TEAM

Position	Name	Contact Number/ Email Address	Emergency Contact Number
BC Team Leader			
Emergency Response Team Leader			
First Aider			
Evacuation Marshall			

If main store/facility is damaged, where can your team meet to continue operations?

SECTION 3: KNOWING YOUR RESOURCE REQUIREMENTS AND IMPORTANT BUSINESS ACTIVITIES (PRIORITIZED ACTIVITIES)

RESOURCES NEEDED

- PEOPLE:** "How many people are needed to perform a business activity?"
- EQUIPMENT:** "What vital equipment do you need to perform the business activity?"
- RAW MATERIALS:** "What resources are needed? Who are your critical suppliers?"
- UTILITIES:** "What utility services (e.g., power, water, connectivity) do you need to perform the business activity?"

BUSINESS ACTIVITIES

- "What activities are needed to be performed by the enterprise?"
- "What activities should be protected against possible disruptions?"
- "What activities should be recovered or performed immediately in order for the business to remain operational?"

SECTION 4: THREAT IDENTIFICATION AND RISK ASSESSMENT

What are possible threats to my business?	How will this affect my business (What will be the risk)?	What is the likelihood that this will happen? (Likelihood; Rating of 1-5)	If it happens, how badly will it affect my business? (Impact; Rating of 1-5)	Risk Score (Likelihood x Impact)	What is my business currently doing to control these risks?
Fire	Loss of equipment and products which will lead to business closure				
Earthquake	Employees will be affected and will not be able to go to work				
Tropical Cyclone/ Typhoon	Damage to store equipment and products; Employees will be affected and will not be able to go to work				
Flood	Damage to store equipment and products; Employees will be affected and will not be able to go to work				
Landslide	Loss of accessibility to store location; Employees will not be able to go to work				
Drought	Not applicable				
Tsunami	Damage to store equipment and products				
Data Loss	Loss of important sales records				
Theft/Crime	Loss of products and equipment				
Prolonged Power Outage	Damage to products such as frozen goods				
Civil Disorder/ Terrorism	Employees will be affected and will not be able to go to work				
Supplier Failure	Shortage of critical store supplies which will affect sales				
Others:					

SECTION 5: UNDERSTANDING IMPACT TO BUSINESS

No. of Hours/Days of Disruption or Downtime of Business Activities	What will happen to these resources if my business activities get disrupted?						
	Impact to Employees' Wellbeing/ Livelihood	Delay in Operations or Production	Impact to Customer Service	Loss of Sales	Impact on Business Partners	Impact on Reputation or Brand Image	Non-compliance with Legal Requirements
Less than 12 hours							
Within 24 hours or 1 day							
Around 2 – 5 days							
1 week							
2 weeks							
1 month							
2 months							
More than 3 months							
INDICATE WHETHER:	No Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Major Impact	Major Impact

SECTION 6: DISASTER PREPAREDNESS AND CONTINUITY STRATEGIES

RESOURCES TO PROTECT	DISASTER PREPAREDNESS MEASURES (What to do before?)	DISASTER RESPONSE MEASURES (What to do during?)	BUSINESS CONTINUITY AND RECOVERY (What to do to recover and continue the business?)
People			
Equipment			
Stocks or Inventory			
Building/Facility			
Records			
Business Partners and Suppliers			

SECTION 7: EMERGENCY PREPAREDNESS CHECKLIST

EMERGENCY EQUIPMENT AND TOOLS	#	EMERGENCY EQUIPMENT	#	EMERGENCY SUPPLIES	#
Batteries		Tape (duct, masking, electric)		Whistle	
Fire Extinguisher		Extension Cord/s		Malong or Sarong	
Ropes		Communication-devices (two-way radio, cellphone)		Toothpaste and Toothbrush	
Hard Hats/ Helmet		Battery-powered items (fans, lamps, etc.)		Soap and Shampoo	
Utility Knives		EMERGENCY SUPPLIES	#	Support for Getting People Home	
Hammer		Drinking Water (3 liters/person for 3 days)		Local Maps	
Pliers		Emergency Food Supply (3 day-supply per person)		Notepad and Pencil	
Crow Bar		Sanitation Supplies (toilet paper, sanitary napkin, etc.)		IMPORTANT OFFICES TO CONTACT:	ADDRESS/ MOBILE NUMBER/ LANDLINE
Spill Kit		Eating Utensils (plates, cups, spoon and fork)		Bureau of Fire Protection	
Broom and Mop		Plastic or Garbage Bag		Local Water District	
Bucket and Pail		Blankets or Sleeping Bag		Electric Cooperative	
Disinfectant		First Aid Kit		Hospital/Clinic	
Shovel		Flashlight		Local Disaster Risk Reduction and Management Office	
Cloth Rags		Can Opener		Municipal Police Station	
Gloves		Plastic or Garbage Bag		Barangay	
Ladder		Blankets or Sleeping Bag		Others:	



SECTION 8: BC PLAN EXERCISE

Type of Exercise Methods	Target Participants and Schedule	Type of Exercise Methods	Target Participants and Schedule
Seminar and Workshop		Drills Fire Earthquake	
Tabletop Exercise		Tropical Cyclone/Typhoon/Flooding Communications	

CHAPTER FOUR

Helping Businesses Recover

In this chapter, we will discuss:

- 
 Resources (financial and non-financial) that key government and non-governmental organizations offer to help MSMEs jumpstart disaster recovery
- 
 Case studies of how some MSMEs benefited from disaster recovery programs and initiatives

Helping the business community recover after a disaster requires commitment and cooperation among government agencies, local government units, the private sector, and local communities. Several programs and services have been put in place to help MSMEs address loss of productivity and revenue after a disaster. As shown in the succeeding pages, MSMEs are supported by both public and private sectors through loan programs, rehabilitation funds, and insurance protection to ensure the smooth recovery of these local enterprises.

AGENCY	SERVICES	FINANCIAL (loans, cash for work, etc.)	NON-FINANCIAL (training, skills development)
	LBP CaReS (Calamity Rehabilitation Support Program)	✓	
	Rehabilitation Program for Agriculture and Industry Responsiveness (REPAIR)	✓	
	Pondo sa Pagbabago at Pag-asenso (P3) Program: Equity Investment for Microenterprises of WIA/ KIA (Wounded in Action/ Killed in Action) Soldiers & Families in Marawi City	✓	✓
	Negosyo Care	✓	
  	Microinsurance Disaster Risk Insurance for MSMEs	✓	

GOVERNMENT FINANCIAL INSTITUTIONS' (GFIs) DISASTER RISK FINANCING & INSURANCE FOR MSMES



Landbank of the Philippines

Contact Details

(02) 8522-0000
(02) 8551-2200
(02) 8450-7001

LBP CaReS (Calamity Rehabilitation Support Program)

Rehabilitation thru Loan Restructuring

Additional or new financing – working capital and/or other expenses to rehabilitate or restore damaged facilities or structures

Loan take-out from other financial institutions – up to the outstanding balance of the principal due, provided that: loan shall be fully secured based on collateral loan, account has never been past due prior to occurrence of calamity, and the borrower's business is still operating

Kaagapay sa Negosyo (KaNegosyo)

To repair of existing facilities, purchase or acquisition of a new one

Credit Program for SMEs

To augment working capital requirement

Lingkod Para sa Pabahay (LINGAP)

Repair of existing housing units or construction or purchase of new ones

Credit Program for Homebuyers



Development Bank of the Philippines

Contact Details

(02) 8818 9511

Rehabilitation Program for Agriculture and Industry Responsiveness (REPAIR)

REPAIR supports both new and old DBP clients who have been adversely affected by calamities and force majeure to expedite the recovery and rebuilding process of the development in calamity-stricken areas.

Projects located in areas affected by calamities and/or force majeure events as determined by the appropriate authorities (i.e. President of the Philippines, NDRRMC, concerned LGUs)

Projects include but are not limited to agricultural projects like crops production, livestock, aquaculture, and micro, small, and medium enterprise (MSME) projects

Pondo sa Pagbabago at Pag-asenso (P3) Program: Equity Investment for Microenterprises of WIA/KIA (Wounded in Action/Killed in Action) Soldiers & Families in Marawi City

A sub-program under the P3 Program intended to financially assist MSMEs owned by KIA/WIA soldiers or families that were affected by the 2017 Marawi siege

Rehabilitate KIA/WIA family-owned MSMEs that were affected by the 2017 Marawi siege

May be used as start-up capital as DTI will support the KIA/WIA family with trainings and starter kits



SB Corporation

Contact Details

(02) 7751 1888

OTHER FINANCING OPTIONS

Negosyo Care

Personal and Property Insurance specifically designed for MSMEs.

Insured by: Bankers Assurance Corporation (BAC)

Distributed by: Cebuana Lhuillier Insurance Solutions

Coverage: property insurance, burglary and robbery, accidental death, permanent disablement and dismemberment, accident medical reimbursement (AMR) money, securities, and payroll coverage



Cebuana Lhuillier Microinsurance

Contact Details

(02) 8818 9511



GIZ-Cebuana
Lhuillier-AXA LIFE

Contact Details

(02) 8818 9511

MicroBiz Protek Insurance

MicroBiz Protek is a micro disaster risk insurance (MicroDRI) product in partnership with AXA Philippines, GIZ Philippines, and Department of Trade and Industry that aims to contribute to the financial stability as well as financial literacy of MSMEs that are vulnerable to natural and man-made disasters.

It offers a comprehensive Property Insurance with personal accident coverage, Comprehensive General Liability, and AXA assistance.

Implemented by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Insured by: AXA Philippines

Distributed by: Cebuana Lhuillier Insurance Solutions

Coverages: fire and lightning, typhoon, flood, earthquake

Extended coverage: smoke, falling aircraft, vehicle impact and explosion

DRRM-BCP-DRI CHECKLIST

The DRRM-BCP-DRI Checklist is an instrument produced through the Micro Disaster Risk Insurance for Micro, Small, and Medium Enterprises (MicroDRI) Project funded by the German Federal Ministry of Economic Cooperation and Development (BMZ), and implemented by the German Development Cooperation (GIZ), in partnership with AXA Philippines, the Department of Trade and Industry (DTI), and Cebuana Lhuillier Insurance Solutions (CLIS).

These questions will help in understanding the existing risks that may disrupt the operations of your business. Please check the boxes based on the location, nature and what you have done on your business.

Name of Business:

Type of Business:

Business Owner:

Micro, Small, Medium:

Address:

Date:

What hazards are present that may disrupt your business operations?

- Fire and Lightning
- Typhoon
- Flood
- Earthquake
- Smoke, falling aircraft, vehicle impact and explosion
- Commercial General Liability
- Personal Accident
- Burglary and Robbery
- Other hazards, please specify:

.....

.....

None. Why?

.....

.....

What vulnerability/susceptibility/likelihood expose your establishment to hazards that may affect your business?

- Within public market generally built with light construction materials
- Not accessible to fire truck
- Noted to have been affected by a major CAT
- In an open field
- Within 50 meters radius to the nearest body of water that frequently experience flooding
- Within 50 meters radius to the nearest fault
- No enclosure
- Other susceptibilities, please specify:
.....
.....
- None. Why?
.....
.....

Which of your Business Assets are exposed to hazards?

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Machinery (large) | <input type="checkbox"/> Value |
| <input type="checkbox"/> Equipment (portable) | <input type="checkbox"/> Value |
| <input type="checkbox"/> Building/Facility | <input type="checkbox"/> Value |
| <input type="checkbox"/> Inventory/Raw material | <input type="checkbox"/> Value |
| <input type="checkbox"/> Motor Vehicle | <input type="checkbox"/> Value |
| <input type="checkbox"/> Others, please specify:
.....
..... | <input type="checkbox"/> Value |
| <input type="checkbox"/> None. Why?
.....
..... | |

What mitigating actions have you done to lessen the impact of risks on your business?

- Bought Fire extinguisher
- Building code compliance
- Elevated raw materials
- Installed Smoke detector, installed bollards
- Locked raw materials
- Direct telephone line to Fire and Police Stations
- Others, please specify:
.....
.....
- None. Why?
.....
.....

After doing these mitigating actions, what residual Risk/s still remain; and what is/are their severity?

L	M	H	Severity
			Fire and lightning
			Typhoon
			Flood
			Earthquake
			Smoke, falling aircraft, vehicle impact, and explosion
			Commercial General Liability
			Personal Accident
			Burglary and Robbery

None. Why?

Are these residual risks, covered by insurance?

	Yes	No
Fire and Lightning		
Typhoon		
Flood		
Earthquake		
Smoke, falling aircraft, vehicle impact, and explosion		
Commercial General Liability		
Personal Accident		
Burglary and Robbery		

Others, please specify:
.....
.....

None. Why?



DID YOU KNOW?

MSMEs account for 25% of the country's total exports revenue. It is also estimated that 60% of all exporters in the country belong to the MSME category.

SOURCE: Philippine Statistics Authority (2017)

What forms of assistance do you still need from Government to recover from residual risks that cause disasters?

Disaster Preparedness

- Disaster-proof public infrastructure
- Insurance of public infrastructure
- Others, please specify:

.....

.....

Post Disaster Response

- Contingent credit
- Others, please specify:

.....

.....

- None. Why?

.....

.....



Implemented by **giz** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



DID YOU KNOW?

As of 2018, the top five (5) industry sectors according to the number of MSMEs were: (1) Wholesale and Retail Trade; (461,765); (2) Accommodation and Food Service Activities (144,535); (3) Manufacturing (116,335); (4) Other Service Activities (66,162); and (5) Financial and Insurance Activities (46,033). These industries account for about 83.62% of the total number of MSME establishments.

SOURCE: Philippine Statistics Authority (2018)



CHECKPOINT (10 MINS):



Carrying over all the lessons you've learned from Chapters 1 to 4, are you ready to create your plan?



Internal resources (equipment, personnel)



Business partners



Funds or capital



Utilities

STORIES OF BUSINESS RECOVERY SERVICES PROGRAMS

THE DEPARTMENT OF TRADE AND INDUSTRY AND THE PHILIPPINE DISASTER RESILIENCE FOUNDATION

In 2016, DTI Region 8 provided business recovery services through technical assistance to more than 26,000 MSME beneficiaries after the destruction caused by Typhoon Yolanda. Through the Regional Operations Group of DTI, they were able to provide assistance through their programs on marketing and technology, financing facilitation, and livelihood seeding program to name a few. Most MSMEs in the region are in the business of retailing, wholesaling, food processing, logistics, and handicraft and furniture making.

To add to this, the Philippine Disaster Resilience Foundation (PDRF), with support from the U.S.-Philippine Society (USPS) and in coordination with DTI, developed the Livelihood Seeding Program from which more than 400 microenterprises involved in dressmaking, food processing, and small eatery operations benefited. The program provided livelihood startup kits containing cooking equipment as well as kitchenware and gas stoves for enterprises in the food business, while sari-sari store owners received grocery stocks, bags of rice, and weighing scales. DTI also provided support through skills development training courses focused on marketing, basic bookkeeping, and accounting.

One of the beneficiaries was Igmidio Lagunzad, a dress shop operator. Through the Livelihood Seeding Program, Lagunzad was trained on Entrepreneurship and Stress Debriefing through the DTI SME Roving Academy (SMERA) and was also given a sewing machine by PDRF. The program aimed to help enterprise owners recover from the aftermath of Yolanda and regain their confidence to start over. This reflected in the reported average increase of 13% in sales profit only two months after the turnover.



STORIES OF BUSINESS RECOVERY SERVICES PROGRAMS

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA)

Initiatives in Marawi City

The Technical Education and Skills Development Authority (TESDA) developed livelihood projects for the people of Marawi City after the siege in 2016. A year later, the national program focused on Massive Skills Training and the TESDA Emergency Program for Technical-Vocational Education and Training (TVET) Trainers and Assessors (TEPTTA).

Its national program called the Marawi Crisis Massive Skills Training for Internally Displaced Persons (IDPs) in Iligan City and Cagayan de Oro City has two phases, in which training on livelihood, construction, and other short and in-demand courses were provided. The food processing, massage therapy, cookery, haircutting, and beauty care courses were part of Phase 1, while training on carpentry, masonry, plumbing, and other technical and vocational courses were under Phase 2. The program aimed to reach more than 5,000 beneficiaries both from the cities of Iligan and Cagayan de Oro.

To further strengthen the program, TESDA also launched the Mobile Training Laboratories (MTL) facilities to prioritized provinces in the country, specifically targeting remote areas. The MTL project aims to make technology-based training programs more accessible to the ten poorest provinces in the country. Food processing, cookery, appliance repair, plumbing, and small engine repair are the courses covered by MTL.

In response to Typhoon Yolanda, TESDA initiated the Skills Training for Livelihood Assistance (STLA) which was implemented in Northern Cebu. More than 2,600 graduates were trained in rebuilding their source of income and livelihood for their families. The training also came with a certification process that helped support their application should they pursue employment locally or abroad. Technical vocation courses on welding, carpentry, electrical installation, and maintenance and plumbing were part of the STLA. In addition to this, TESDA also developed the Yolanda Recovery and Rehabilitation Program (YRRP) which focused on livelihood and vocational skills training. More than 3,000 of the YRRP beneficiaries were able to graduate and have acquired certification for employment.



SOURCES:

https://www.unisdr.org/files/49442_pdrf.livelihoodseeding.pdf
<https://www.facebook.com/notes/ptv/dti-rog-continues-to-deliver-promise-sheds-p655m-funds-for-post-yolanda-projects/1367562109971122/>
<http://www.viatimes.net/apr2015issue/?p=157>

SOURCES:

<http://www.tesda.gov.ph/Gallery/Details/9230>
<https://news.mb.com.ph/2017/07/17/tesda-to-bring-skills-training-to-the-most-remote-areas-in-ph/>
<http://www.tesda.gov.ph/News/Details/3460>
- <https://pia.gov.ph/news/articles/1005546>

“I attended this training, the Business Continuity Planning Workshop under DTI and PDRF. Marami akong natutunan and I am willing to share kung anuman yung natutunan ko to our sector, to the cooperatives.”

Nakita ko na this is very important sa bawat cooperative and also to every entrepreneur. Karamihan ng natutunan ko ay for preparedness, kung paano tuloy-tuloy ang negosyo sa kabila ng anumang mga darating na sakuna, para makapagsilbi pa rin sa mga customer. Itutuloy-tuloy ko ito bilang isang misyon sa serbisyo namin para matugunan yung pangangailangan ng mga cooperative and also the consumers. [I learned a lot and I am willing to share all that I learned to our sector, to the cooperatives. I saw that this is very important to every cooperative and to every entrepreneur. Most of what I learned were about preparedness, how to continue business operations despite disaster occurrences so that the business can continue to serve its customers. I will continue this as a mission so that I can help address the needs of cooperatives and consumers.]”



GERONIMO ZAPATA
Vice President
Chamber of Commerce -
Isabela Chapter

Annexes

ANNEX 1: EMERGENCY CONTACT INFORMATION LIST

LOCAL

Bureau of Fire Protection: +63 _____ / +63 _____

Local Water District: +63 _____ / +63 _____

Electric Cooperative: +63 _____ / +63 _____

Hospital/Clinic: +63 _____ / +63 _____

Local DRRMO: +63 _____ / +63 _____

Municipal Police Station: +63 _____ / +63 _____

Barangay: +63 _____ / +63 _____

Red Cross Chapter: +63 _____ / +63 _____

NATIONAL

NATIONAL DISASTER RISK REDUCTION AND MANAGEMENT COUNCIL (NDRRMC)

Trunkline

(02) 8911-5061 to 65

Operations Center

(02) 8911-1406
 (02) 8912-2665
 (02) 8912-5668
 (02) 8911-1873
 (02) 8426-0219
 (02) 8426-0246

OFFICE OF CIVIL DEFENSE

(02) 8911-5061 to 65

PHILIPPINE COAST GUARD

Hotlines

(02) 8527-8481 to 89
 (02) 8527-3877
 (02) 8527-3880 to 85

BUREAU OF FIRE PROTECTION (BFP)

(02) 8426-0219
 (02) 8426-0246

PHIVOLCS

(02) 8426-1468 to 79

RED CROSS

National Blood Center:

Trunk line: 143
 (02) 8527-8385 to 95
 (02) 8527-0000
 (02) 8790-2300

Disaster Management Office:

Emergency Response Unit:
 134 (Staff), 132 (Manager), 133 (Radio Room)
 (02) 8790-2300 local 604

PAGASA

Trunk line

(02) 8284-0800

PHILIPPINE NATIONAL POLICE

(02) 8723-0401 to 20

DILG

(02) 8876 3454

NATIONAL CENTER FOR MENTAL HEALTH (NCMH)

Trunk line

0917-899-USAP (8727)
 (02) 989-USAP (8727)
 (02) 8531-9001 to 10

ANNEX 2: DISASTER RISK FINANCING & INSURANCE PROGRAMS FOR MSMES



MODE OF PAYMENT

Monthly, quarterly, semi-annual or annual basis

INTEREST RATE

Minimum of 6% per annum, fixed for the term of the loan

Land Bank of the Philippines

LBP CaReS (Calamity Rehabilitation Support Program)

DESCRIPTION: Rehabilitation thru Loan Restructuring

QUALIFIED BORROWERS: Existing and new customers who have been severely affected by calamity (natural/man-made disasters) in areas that were declared under the state of calamity by the Office of the President or the Local Government Units

LOAN PURPOSE:

1. Additional or new financing – working capital and/or other expenses to rehabilitate or restore damaged facilities or structures

2. Loan take-out from other financial institutions – up to the outstanding balance of the principal due, provided that: loan shall be fully secured based on collateral loan, account has never been past due prior to occurrence of calamity, and the borrower's business is still operating

LOAN TERMS:

For Short Term loans:

Tenor may be extended up to 5 years, inclusive of maximum 1-year grace period on both principal and interest payment

For Term loans:

Tenor can be extended for additional 5 years over the remaining term of the loan at the time of calamity with a maximum grace period of 3 years on principal repayment and a maximum grace period of 1 year on interest payment



MODE OF PAYMENT

Monthly, quarterly, semi-annual, or annual basis, based on cash flow of the project

INTEREST RATE

Minimum of 6% per annum, fixed for the term of the loan

Land Bank of the Philippines

LBP CaReS (Calamity Rehabilitation Support Program)

DESCRIPTION: Kaagapay sa Negosyo (KaNegosyo), Credit Program for SMEs

QUALIFIED BORROWERS: -

LOAN PURPOSE:

1. To repair of existing facilities, purchase or acquisition of a new one

2. To augment working capital requirement

LOAN AMOUNT:

For existing clients:

Up to 90% of project cost

For new clients:

Up to 80% of project cost

LOAN TERMS:

For repair of existing facilities, acquisition of new facilities, or for take-out loan:

Up to ten (10) years, with maximum grace period of one (1) year on both principal and interest payment

For working capital:

Up to 5 years, with a maximum grace period of 1 year on both principal and interest payment



MODE OF PAYMENT

N/A

INTEREST RATE

For bank funds, 7% per annum fixed for 5 years, inclusive of GRT

Development Bank of the Philippines

Rehabilitation Program for Agriculture and Industry Responsiveness (REPAIR)

DESCRIPTION: REPAIR supports both new and old DBP clients who have been adversely affected by calamities and force majeure to expedite the recovery and rebuilding process of the development in calamity-stricken areas.

QUALIFIED BORROWERS:

For Wholesale Lending:

Banks including commercial banks, thrift banks, rural banks, cooperative banks, and microfinance institutions lending to smallholder farmers and fisherfolks and micro and small

Non-banks including NGOs, irrigator’s associations, SEC-registered financing companies, agricultural cooperatives, farmer/fisherfolks’ associations, corporate farmers, other type of associations/organizations duly registered with the corresponding government agencies

For Retail Lending:

Businesses duly registered with SEC, DTI, DOLE, CDA

LGUs

LOAN PURPOSE:

Projects located in areas affected by calamities and/or force majeure events as determined by the appropriate authorities (i.e. President of the Philippines, NDRRMC, concerned LGUs)

Projects include but are not limited to agricultural projects like crops production, livestock, aquaculture, and micro, small, and medium enterprise (MSME) projects

LOAN AMOUNT: Minimum equity of 5%, but may be dispensed with on a case to case basis

REQUIREMENTS:

1. DBP Application Form
2. Audited FS submitted to BIR or copy of the bank statements for the past 6 months Certified by the Borrower, whichever is applicable
3. Business permits (mayor’s permit and barangay permit)
4. Proof of billing (business address)
5. Copies of two (2) government-issued IDs with picture



CEBUANA LHUILLIER INSURANCE SOLUTIONS

MicroBiz Protek

DESCRIPTION: MicroBiz Protek is a micro disaster risk insurance (MicroDRI) product in partnership with AXA Philippines, GIZ Philippines, and Department of Trade and Industry that aims to contribute to the financial stability as well as financial literacy of MSMEs that are vulnerable to natural and man-made disasters.

It offers a comprehensive Property Insurance with personal accident coverage, Comprehensive General Liability, and AXA assistance.

COVERAGE:

Covers the damages on the property and its contents caused by:

- Fire
- Lightning
- Typhoon
- Flood
- Earthquake

Burglary and robbery
Accident medical reimbursement
Permanent disablement
Accidental death

Also comes with:

Comprehensive General Liability
Emergency Red Button app for:

- Personal emergency
- Emergency ambulance
- Emergency police
- Fire and Barangay assistance

(Coverage will depend on the amount of premium)

PREMIUM: As low as PHP 540.00/year

(Premium may change based on the classification of risk)



CEBUANA LHULLIER INSURANCE SOLUTIONS

NegosyoCARE

DESCRIPTION: Personal and Property Insurance specifically designed for MSMEs.

COVERAGE:

- Property insurance (PHP 100,000.00)
- Burglary and robbery (PHP 50,000.00)
- Accidental death (PHP 50,000.00)
- Permanent disablement and dismemberment (PHP 25,000.00)
- Accident medical reimbursement (inside the business premises only) and Money, Securities, and Payroll (PHP 25,000.00)

PREMIUM: PHP 1,500.00 - PHP 2,500.00 per year