

MICROLINKS



Investing in Resilient Markets through Private Sector Partnerships

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Laura Meissner

USAID/OFDA

Laura Meissner is the Economic Recovery and Markets Advisor for the U.S. Agency for International Development (USAID)'s Office of U.S. Foreign Disaster Assistance (OFDA), where she provides guidance on assessing, mitigating and repairing the effects of disasters on local markets and vulnerable populations' livelihoods, and on cash and voucher-based interventions. In her work at OFDA she has contributed to the disaster response and recovery in Syria, Iraq, the Horn of Africa, the Sahel, and the Philippines, among others. Prior to joining OFDA in 2010, Ms. Meissner managed the Minimum Economic Recovery Standards initiative for the Small Enterprise Education & Promotion (SEEP) Network.



Toral Patel

The Asia Foundation

Toral Patel is a Program Officer at The Asia Foundation. She works closely with the Foundation's field offices in 18 countries to support the development of urban and environment programs across a range of issue areas – including climate change adaptation, disaster risk management, green growth, and natural resources management. She previously worked in Bangkok to conduct research on climate change mitigation schemes and community-based forest management in southeast Asia. She holds a Master in City Planning from Massachusetts Institute of Technology, and Bachelor of Arts in Geography and Political Science from Middlebury College.



Thea Anderson

Mercy Corps

Thea Anderson is Director for Financial Inclusion at Mercy Corps. Mercy Corps works in 42 countries with fragile and complex environments. She is a strategic designer of innovative financial inclusion business models with lasting impact among some of the world's most marginalized populations. She designs and supports market-driven initiatives and spearheads the agency strategy and implementation of market-driven financial services with a focus on private-sector partnerships and non-traditional applications. She provides technical assistance to financial institutions and companies including commercial banks and mobile operators.



Henry Flores

Save the Children

Henry Flores is an expert in disaster risk management, capacity-building for regional and local governments, and democratic governance and market systems. He holds extensive knowledge of support mechanisms (Nations Systems in Peru), humanitarian aid processes, inter-institutional coordination (agencies of the United Nations Organization, donors and NGOs), and early recovery and reconstruction. He holds a degree in Economics, has completed postgraduate studies in Public and Cultural Project Investment, and is currently completing a master's degree in Social Management with a focus on management, disaster risk reduction, and public procurement law.



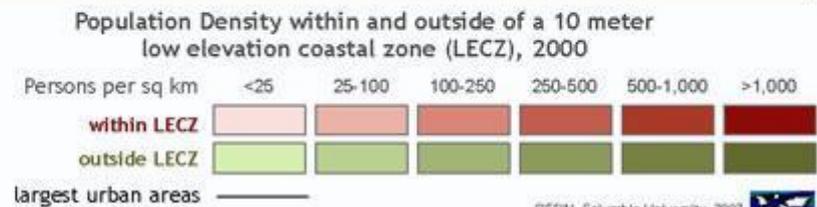
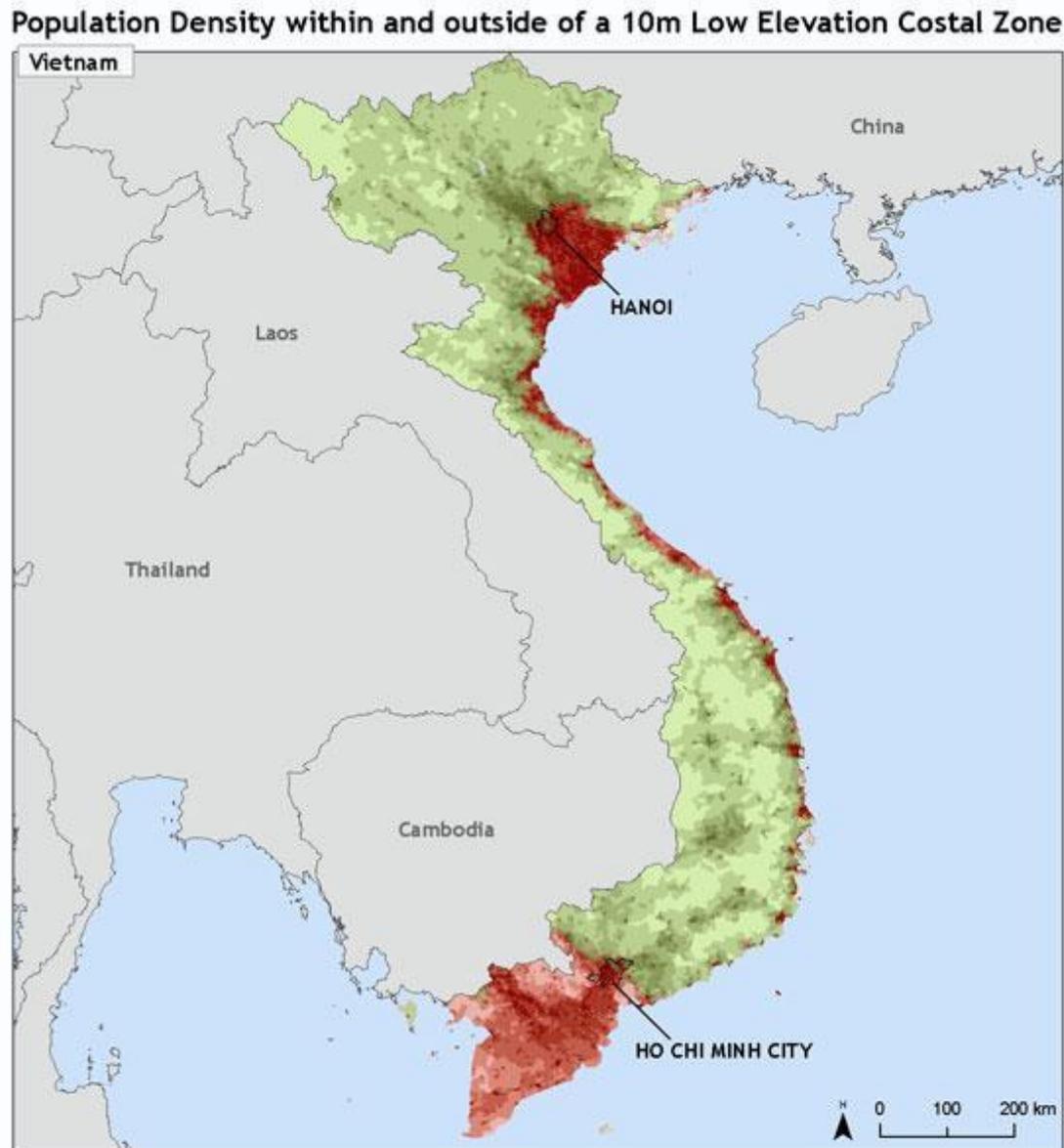
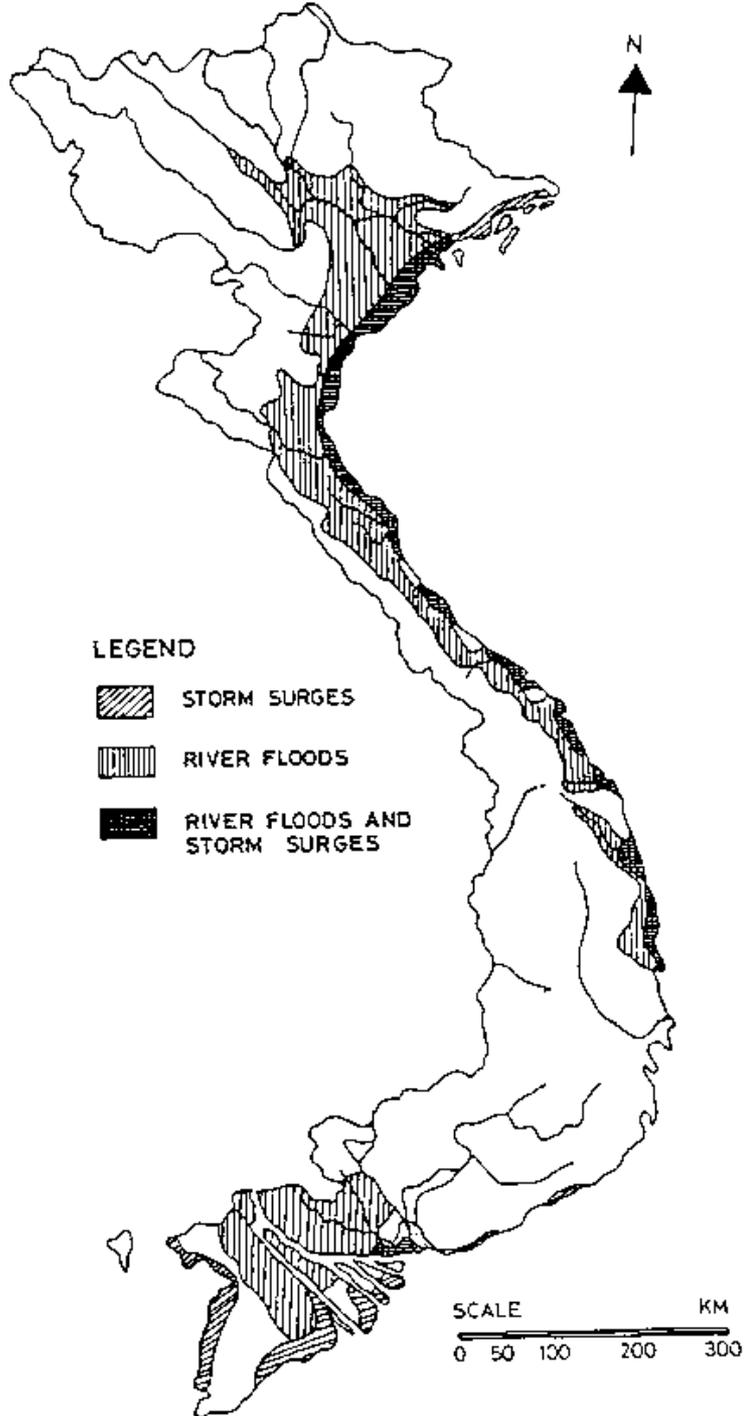
The Asia Foundation



VIETNAM

Strengthening Public-Private Partnerships for Resilience

to Natural Disasters & Climate Change



WHY FOCUS ON SMEs?

10-200
employees

200-300
employees

- Small- and medium-enterprises (SMEs) constitute an important part of the economy in Vietnam
- SMEs in Vietnam are poorly prepared for disasters
- There is a significant gap between *awareness of* and *action on* disaster risks and climate change

PROGRAM OBJECTIVES



- Strengthen public-private partnerships for disaster risk management
- Build the capacity of SMEs to prepare for and respond to natural disasters
- Promote disaster-related corporate social responsibility (CSR) initiatives

OUR APPROACH

- Build strategic partnerships between businesses, government, and the community
- Develop resources to enable SMEs to identify and manage disaster risks
- Develop guidelines for effective disaster-related CSR
- Facilitated dialogues between disaster authorities and business associations
- Conducted an extensive media campaign
 - Vietnam Chamber of Commerce and Industry
 - Small and Medium Enterprises Development Support Center 2
 - Center for Education and Development

RESULTS

- Documented the state of disaster preparedness in Vietnam
- Developed a hub of disaster-related expertise for the business community
- Enhanced the capacity of businesses to manage disaster risks
- Raised awareness of private sector's role in building community resilience



LESSONS LEARNED

- SMEs have short time horizons and low management capacity
- Importance of getting the right businesses on board first
- Engage business leaders for effective dissemination
- Build partnerships with trusted local institutions

WHAT'S NEXT?

- Expand trainings to provincial industrial and economic zones
- Establish a network of trainers experienced in climate change resilience and disaster risk management for business
- Expand trainings to provincial industrial and economic zones
- Inform the development of a business-focused national strategy on climate change and disaster risk management

THANK YOU!

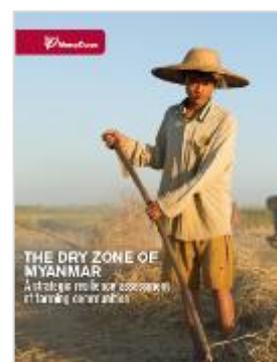
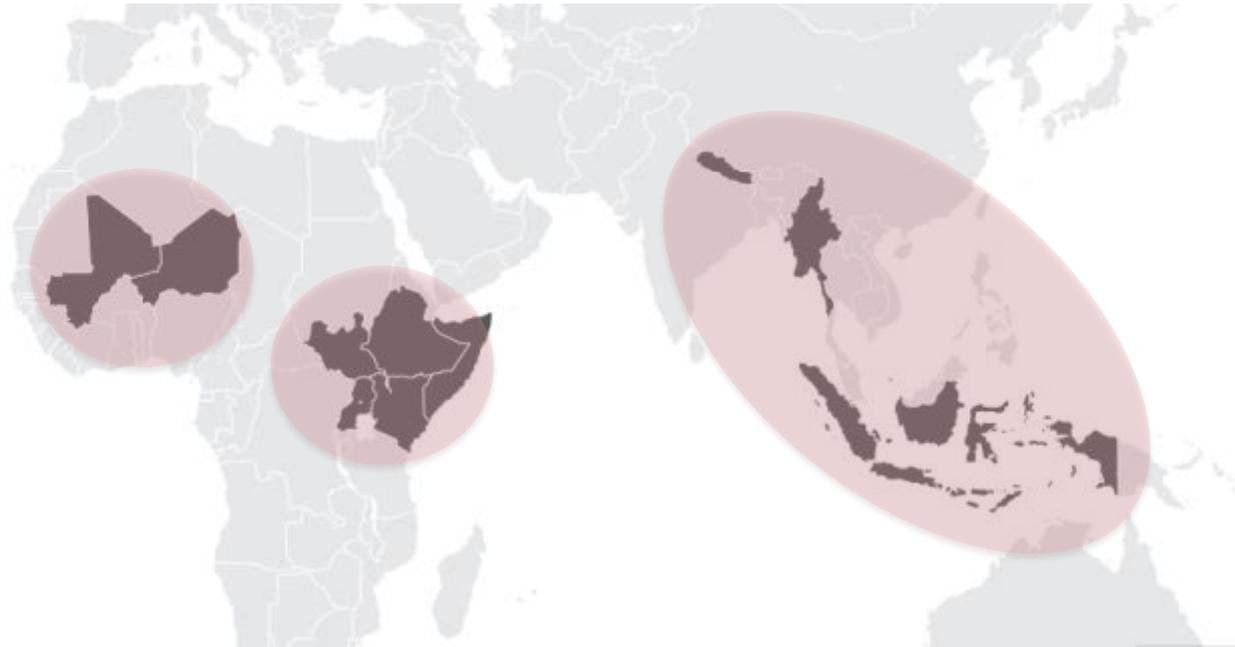
Toral Patel
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Indonesia Liquidity Fund After Disaster (ILFAD)

Resilience at Mercy Corps

- › Resilience Hubs Model
- › Invest in research
- › Develop resilience learning partnerships
- › Develop, refine, iterate operational approach

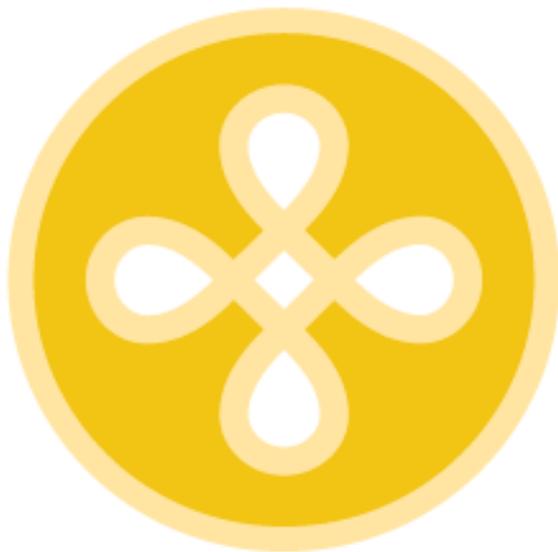


Key Resilience Concepts

Actors learn to cope, adapt, and transform in the face of shocks and stresses.

Not a separate goal; support ongoing humanitarian and development goals.

Approached guided by:



Four Questions



Of What



For Whom



To What



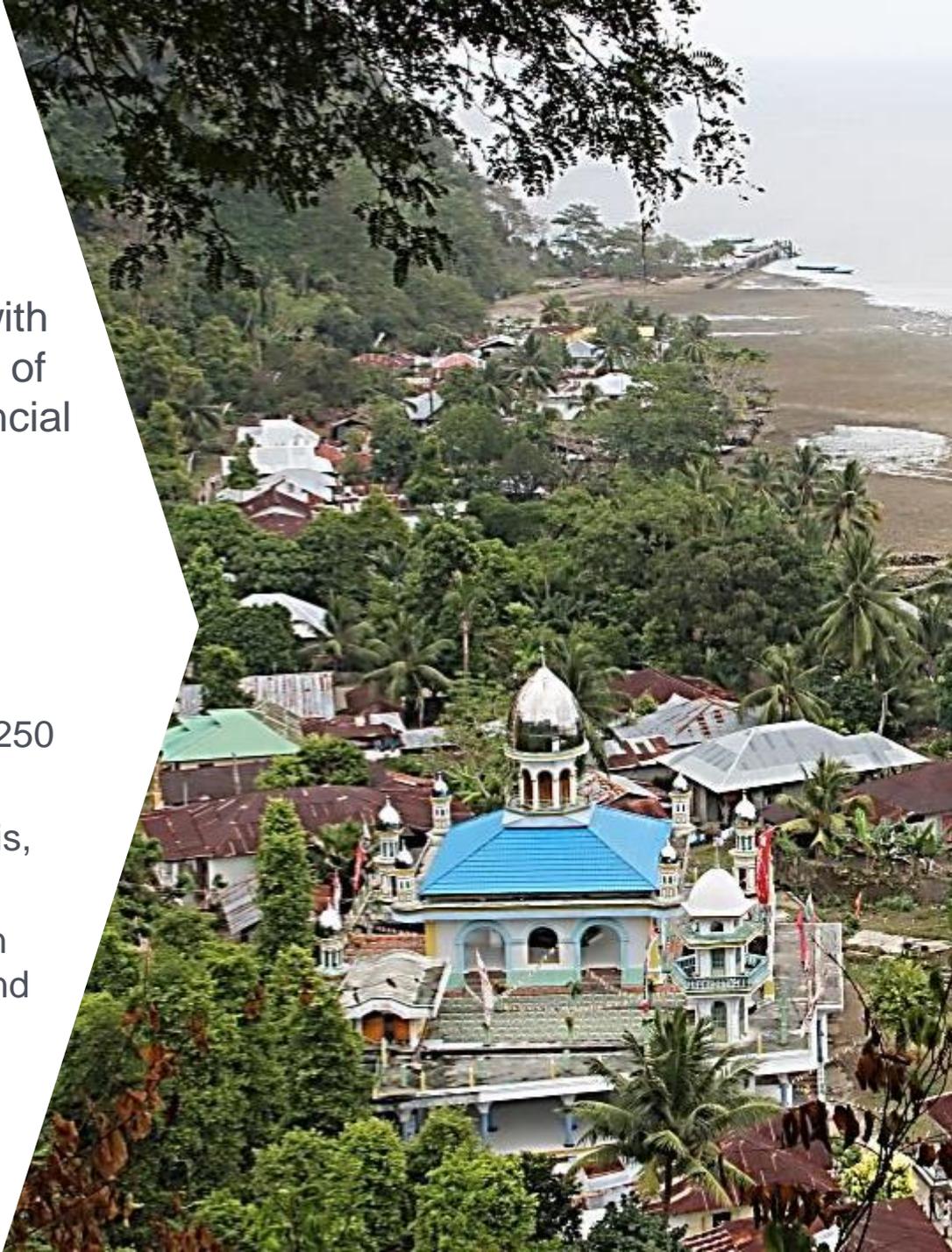
Through What



Three Capacities

Overview

- › Proof of concept in partnership with OFDA to build disaster resilience of financial institutions and the financial sector.
- › Initial focus on the MFI sector (cooperatives and rural banks)
- › Why needed?
 - 13,000 islands and population of 250 million.
 - Battered by earthquakes, tsunamis, volcanoes, flooding and droughts.
 - 60,000 MFIs reach over 50 million MSMEs (97% of all enterprises and 30% of GDP growth).



Components

- › Capacity Building and Liquidity Management
 - Stress tests
 - Scenario planning
 - Liquidity planning
- › Financial Products for Post-Disaster Needs (Client and Institution-level)
 - Savings
 - Insurance
 - Mitigate non-performing loans
- › Post-Disaster Liquidity Fund
 - Pooled fund across geographies



Resilient Financial Institutions

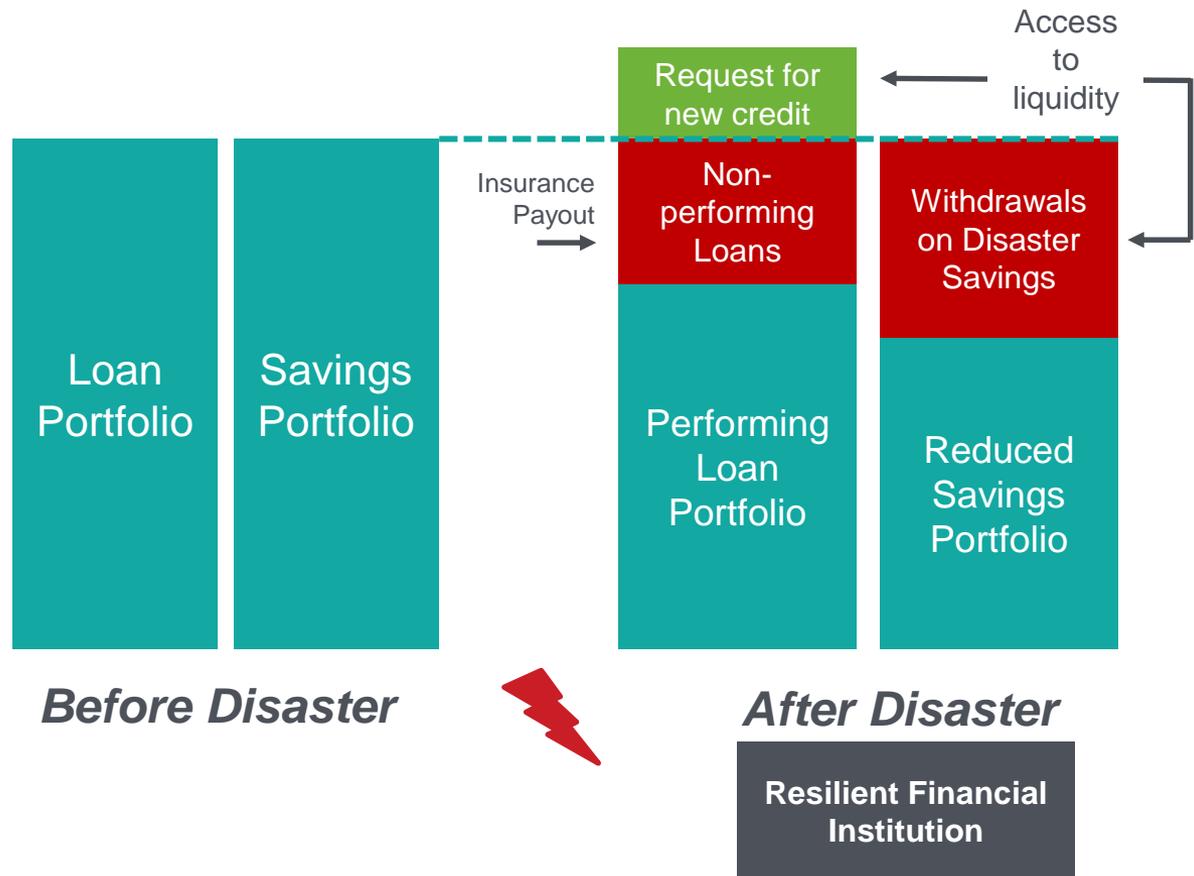
Portfolio covered by insurance payout

Liquidity:

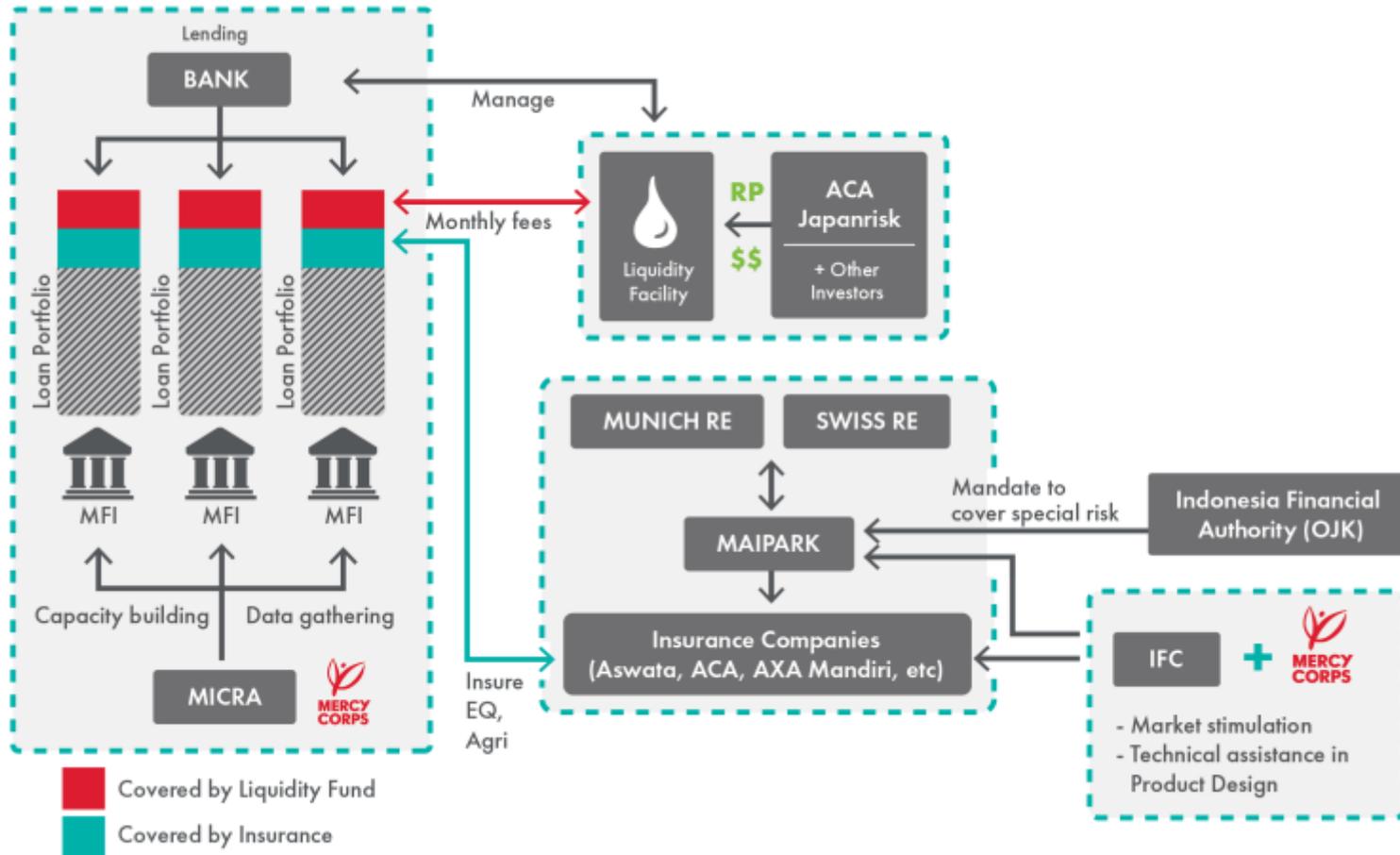
- Enables **withdrawal of savings** by clients post-disaster.
- Facilitates **new credit**, enabling the institution to maintain/expand increased demand for credit post-disaster

Insurance:

- Necessary to avoid liquidity funds used to cover potential losses



Private Sector Partnerships



Key takeaways





**MERCY
CORPS**

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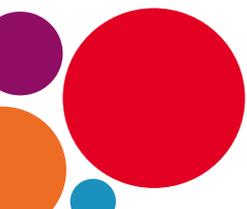
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Every day. In times of crisis. For our future.

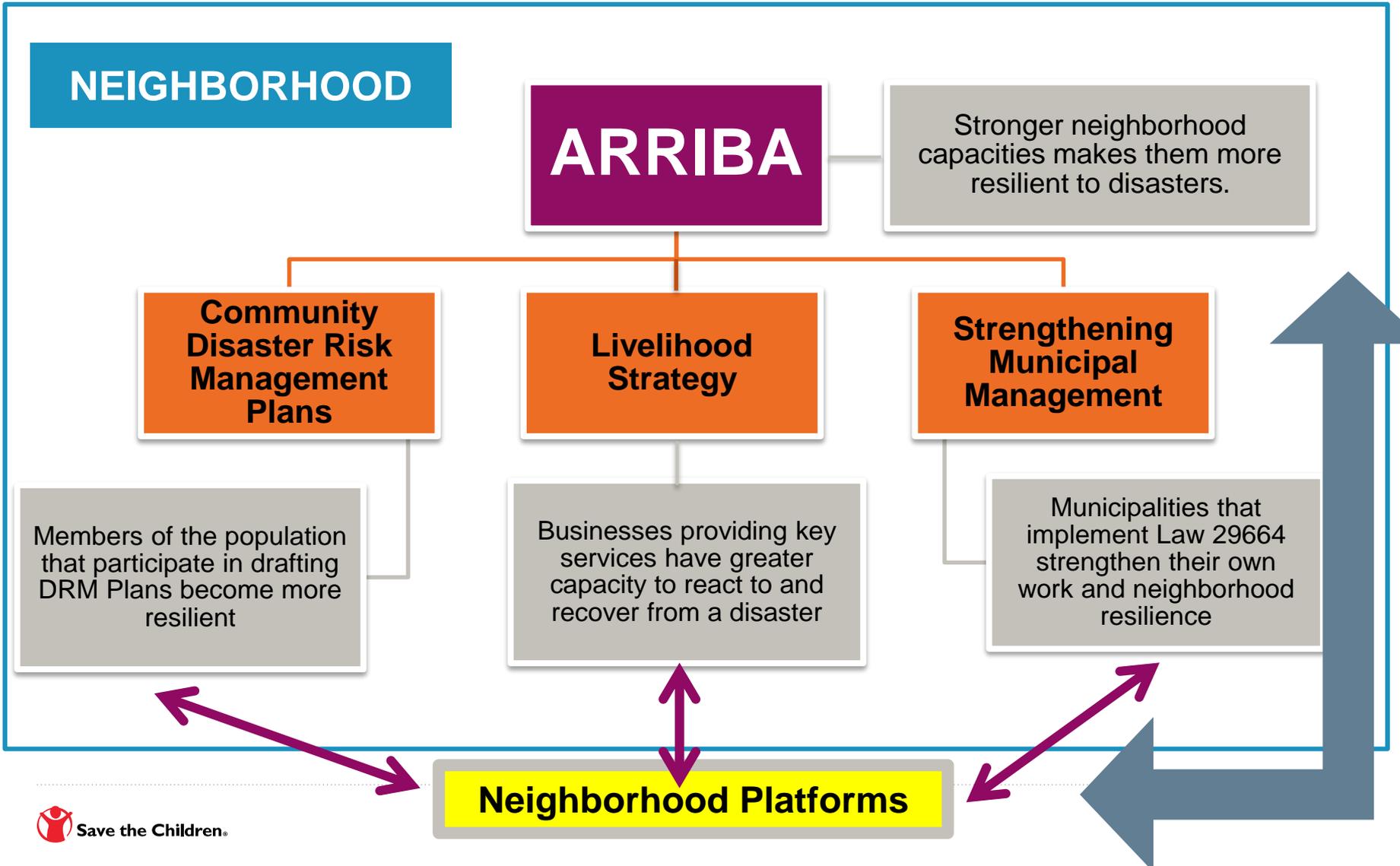


Integrating ERMS in DRR Projects

Apoyo a la Reducción de Riesgos en Barrios de Lima (ARRIBA)
Lima, Peru



INTEGRATION OF ERMS AND DRR



NEIGHBORHOOD APPROACH

- Engaged multi-level stakeholders from inception to implementation
- Changed behavior, attitude, and practices from reactive to proactive
- Involved local businesses and markets as a key component in the planning, implementation, and integration of DRR related activities

PROCESS OF INVOLVING MARKETS AND BUSINESSES



ESTABLISHING PRIVATE-PUBLIC PARTNERSHIPS

- Involved the local (municipal-level) Economic Development Office.
- Promoted access of local businesses to financial services: the role of the Banco de Credito del Peru (BCP).
- Promoted the formation of neighborhood-level small business associations

STRENGTHS AND AREAS OF IMPROVEMENT

Strengths

- Strengthened management capacity of local businesses/markets
- Increased access to micro-credit programs for local businesses
- Created a supply and demand for DRR-related services

Areas of Improvement

- Lack of government engagement and ownership of sector activities
- Local business prioritization of short-term benefits over the long-term investments in DRR infrastructure

LESSONS LEARNED

- Flexible approach; strengthening business before undertaking DRR-related activities.
- The involvement of markets in DRR-related activities
- Involving the Municipality in the livelihoods strategy to ensure the sustainability of project activities
- Integrating lessons learned from ARRIBA into future projects

KEY TAKEAWAYS

Businesses/markets are different from community leaders and grassroots organizations.

- Other motivations not related to their neighborhoods
- Priority is business
- Not always easy to link to the neighborhood, risk that businesses remain isolated

Businesses have two roles in a DRM neighborhood approach:

- Strengthen themselves to be more resilient to disasters
- Support neighborhoods in a disaster by being a reference point in their community (For example, hardware stores, local stores, social programs)

TOP TAKE - AWAYS

- 1 Support diversified products for diverse resilience needs
- 2 Business engagement in disaster risk management is a continuous, iterative process
- 3 Importance of getting the right businesses on board first
- 4 Involve local actors in strategy to ensure the sustainability of project activities
- 5 The involvement of markets in DRR-related activities
- 6 Remember the financial system is also vulnerable
- 7 Be prepared to work on the enabling environment
- 8 Flexible approach

Discussion

- Themes
 - Measuring DRR/resilience outcomes
 - Types of partnerships
 - Surprises!
 - Iterative learning/adaptation

MORE THAN MICRO

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Contact: koplanick@usaid.gov

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