

Success Story

March 2023

Private Sector Engagement through the Preparedness Partnership of Cambodia

International and regional frameworks and agreements including the Sendai Framework for Disaster Risk Reduction 2015-2030, the United Nations (UN) 2030 Agenda for Sustainable Development, and the ASEAN Agreement of Disaster Management and Emergency Response (AADMER) have acknowledged the private sector as a key stakeholder. Since the business sector is the primary source of employment, job creator, purveyor of products and services, and collectively constitutes the largest investors in society, business resilience is crucial to building overall resilient communities and society¹. This includes the private sector, together with other partners from government and civil society, working towards addressing shared risks by taking a leading role and responsibility for effective disaster preparedness and risk reduction.

Micro, small, and medium enterprises (MSMEs) are a crucial part of the Cambodian economy, comprising 90% of all livelihoods in the country. Additionally, they provide 70% of employment and contribute to more than half of the Gross Domestic Product (GDP)². These businesses are vulnerable to disaster events because they lack the human and financial capacity to withstand catastrophes. They typically have little access to response and recovery support from the government and humanitarian actors in spite of their exposure to disasters being the same as that of the communities in which they operate. Cambodia has prioritized mainstreaming disaster risk reduction (DRR), implementing initiatives such as strategic priorities in the Cambodian Industrial Development Plan (IDP) 2015-2025. The country wants to **strengthen innovation** in MSMEs, promote **financial access** and **gender equality**, ease financial pressures, and raise awareness and measures to mitigate disasters' effects³.

Decoding the role of Private Sector in Disasters

The Preparedness Partnership of Cambodia (PPC) is the national chapter of the Asian Preparedness Partnership (APP) in Cambodia. It began in 2018 with government-mandated agency members such as the National Committee for Disaster Management (NCDM), the local humanitarian network of non-governmental and civil society organizations



Dara Sok and Hung Sunry representing FASMEC.

– the Cambodian Humanitarian Forum (CHF), and the Federation of Associations of Small and Medium Enterprises in Cambodia (FASMEC). FASMEC joined the partnership to fully understand the benefits of disaster management and participate in the capacity-building efforts such as awareness raising, trainings, and workshops. As a member of PPC, FASMEC aimed at getting involved in the planning and coordination processes for disaster preparedness and emergency response as a member of PPC.

FASMEC was established in 2010 with the support of the Ministry of Industry, Mines & Energy (MIME). Acting as a non-governmental and fully independent institution, FASMEC helps its members in bringing their concerns to the government through Government Private Sector Forum (G-PSF).

1 Report on Business Resilience Forum, June 2018, Preparedness Partnership of Cambodia

2 Supporting MSMEs to Achieve SDGs in Cambodia

3 Enhancing the Resilience of MSMEs to Crisis and Disaster

It currently counts 15 business associations and 300 enterprises as its members. FASMEC's mission is to: accelerate the growth of SMEs in Cambodia through promoting integration to regional and global markets

via improved SME policies and lobby, trade promotion, and SME development; to create an SME information center and; to provide training and skill development for its members.

Initiatives and Key Achievements for Private Sector Engagement



SME Fund Raising Guidelines during Disasters

PPC has worked in partnership with NCDM that began with raising awareness for fundraising for disaster preparedness and business resilience. After exploring the benefits of disaster management, especially with SMEs in preventing or reducing disaster risk, FASMEC found crucial resources were needed to implement disaster management. FASMEC then created an awareness initiative for fundraising in disaster-related work. In coordination with the stakeholders of PPC, FASMEC developed fund-raising guidelines for SMEs and create pooled fund mechanisms. The guideline supports any disaster-affected SME members in need and builds the capacity of SMEs for disaster management. In addition, this strategy also acts as a tool to mobilize the budget for the pool fund with contributions from the SME members and other external sources such as individuals, donors, and private sector organizations. FASMEC also disseminated the key principles of the fund-raising guidelines to its SME members in the provinces and conducted a series of workshops in two provinces to promote greater outreach of these guidelines. The workshops also became an opportunity to establish the required criteria for SMEs to be a part of a funding scheme. These enterprises were also able to initiate a dialogue to administer a fund management committee and assessment team to evaluate and determine the extent of the impact and damage on the scale of the business, production, and products. PPC was also able to connect them to other stakeholders providing participants with the scope to highlight the need for funding support from the government, local and foreign donors, and insurance companies when they experience disruptions due to disaster events.



Capacity Building

PPC conducted a number of capacity-building events on business continuity management (BCM) and business resilience forums. These trainings aimed to explain the components of BCM frameworks, the business impact analysis, and analyze the disaster risks towards risk assessment. They also supported in identifying a roster of potential resource persons for BCP training among SMEs in the country. Additionally, the event identified possible scope to develop a BCP and subsequently conduct an exercise, review, and test of the developed plans. Participants largely felt that these workshops supported them in preparing plans for business resilience and engaged them in disaster risk management (DRM).



Early Warning for SMEs

PPC organized a training workshop on Disaster Management Information System (1294 Early Warning System) to strengthen the preparedness of SMEs by leveraging mobile technology. The key objectives of the training were to improve understanding of DRM concepts including disaster management policies, introduce the 1294 Early Warning System, and oriented them on the strategic marketing plan to cope with disaster impacts. It also provided participants with disaster management information systems in Cambodia. The workshop enhanced awareness of the SMEs to utilize the 1294 early warning system through their mobile phones. The application uses early warning so that these businesses can mitigate and protect against any natural hazard risks in their business operations in advance and ensure their operation continuity.



SME Champions on Business Resilience

FASMEC is leading a series of events to identify SME champions on business resilience with PRP. The activity was part of a larger objective for SMEs to integrate business resilience and business continuity plans (BCP) in their policies and strategies. These sessions also provided scope for key stakeholders to connect and included the Cambodian Humanitarian Forum (CHF) FASMEC, the Ministry of Industry, Science, Technology and Innovation (MISITI), and the National Committee for Disaster Management (NCDM). Of the 21 SMEs that participated - Hak Se Rice Mill, Associate Asphalt Productions Group Co., Ltd (AAP), and Hay Food Enterprise (Fish Sauce Factory) - were selected as champions. Komnith Thmey Enterprise (New Idea Enterprise) was also recognized in light of promoting women in leadership positions as a women-owned enterprise.

Hung Sunry, Executive Director, and Dara Sok, Vice President, of FASMEC reflected on FASMEC's longstanding cooperation with PPC



Hung Sunry
Executive Director,
FASMEC

Hung Sunry was a business owner who understood that the business community must unite in its approach to building business resilience

- "I have had my own company, which gives me some experience in the private sector. I am now the Executive Director of the FASMEC. My job is to coordinate all enterprises in Cambodia, such as organizing training courses, organizing business forums for exporting products, and participating in solving challenges for enterprises." **Through the PPC, FASMEC has been continuously involved in disaster management.** "We conducted events as a learning and sharing opportunity to strengthen the capacity of some enterprises, recognized model SMEs, develop disaster management plans, and help SMEs execute these plans when disasters strike."

The value addition that Hung has witness through PPC is largely focused on expanding the private sector's engagement with other stakeholders, "We have gained a lot of experience related to disaster management work, and networking with partner organizations such as Humanitarian Response Forum (HRF), CHF, and other NGOs. Governments involved with PPC are aware of the work of partners working with FASMEC." She observes that many people knew about FASMEC by accessing the network but were not aware of the federation's engagement in disaster management. She views PPC as a catalyst for communication and collaboration to support SME growth - **"Our partnership with PPC has led to FASMEC aligning with the NCDM National Plan. We are now included in the policy dialogues to reflect and incorporate the needs of the business community."**

Hung also concludes that PPC has helped develop mechanisms for businesses to recover from disruptive events, "Fundraising is essential for SMEs because it helps to solve the burden of SMEs when a disaster occurs in time. This fundraising is solid and sustainable. We plan and work with NCDM and MISTI." The federations funding source also contributes to a portion of FASMEC membership payment. Hung explains, "FASMEC members have the opportunity to use this budget transparently. Part of this budget is used to help enterprises with financial and material problems, and the other part is to help them after a disaster through low-interest loans without collateral so that they can restore their economic status to some extent."

Planning is an essential part of business resilience according to Hung. She commends PPC's support in this development, "The partnership facilitates the writing of strategic plans, participates in the development of these strategic plans, and can be implemented correctly and transparently." The work on planning has led to BCP being included in each enterprise's annual disaster preparedness and prevention plan. Hung explains how the PPC-partnered workshops emphasized a mechanism for BCP, "The first is the business continuity planning framework. The second step is the business impact analysis. The third is the business continuity strategy. The fourth step is the exercise, testing, and review of the BCP program." They are now running a school to introduce BCP through learning, "Our school is both live and online, with about 50 participants. The involvement of the private sector and some stakeholders is a common goal in helping small enterprises. It has a clear understanding of work related to disasters so they can be prepared. In the past, they never knew what they should do."

Hung elaborates that APP has transformed FASMEC's perspective, "SMEs didn't have much knowledge of disaster management work. However, after support was gained by APP through FASMEC for SMEs, they became more active and aware of the prevention and protection measures in the disaster management cycle in their business operation by knowing what to do before, during, and after the events."



Dara Sok
Vice President, FASMEC

Dara Sok takes an expanded approach to business resilience for the private sector, "I have assisted our small and medium enterprises in Cambodia to find donor

partners to organize seminars, training courses, and business matching programs to promote our enterprise, progress like other countries, and spread the government's policy to support SMEs." He believes that connecting businesses to the government is critical, "We want to help them find a solution with relevant ministries. Looking at losses to our families and our national economy and the hardships of people and enterprises affected by catastrophic events, we can all prevent and reduce these losses if we understand management and prevention of disaster risks."

Dara contributes to stakeholder engagement in PPC's effort to organize workshops and disaster management training courses with various stakeholders - "We experience a sense of teamwork when we joined



Left to right: Early Warning Systems training for SMEs; SME champions; DM Concepts Training for SMEs; Training for SMEs on DRR.

these events for NCDM. Natural disasters in the country such as fire and flood led to this change and encouraged FASMEC to get involved in disaster risk management." FASMEC and PPC have coordinated on a number of workshops that include:

- NCDM System Dissemination and Management Workshop 1294
- Outstanding Enterprise Program in Disaster Management
- Business Continuity Plans Training Program (BCP)
- Developing a Fund Raising Strategy.
- Raising funds to support MSME - we look for partners who have the ability and experience to train and advocate disaster management.

Dara has witnessed a greater sense of awareness in the sector through these efforts, "Enterprises that participated in seminars and training sessions have a new awareness that previously they did not have on this issue and understand the importance of knowledge as part of the PPC network. Partnerships help fill our gaps, especially with professional, competent, experienced, and knowledgeable partners to help in disaster preparedness training." A cornerstone of these endeavors is the focus on BCP into the business plans to focus on disaster prevention and management in the event of an emergency of enterprises. Dara elaborated on how the course had fostered this dynamic, "The three-day BCP training course focuses on defining the objectives, scope, and team of the organization's business continuity plan and identifies organizers and

implementers. This business continuity plan is useful to help FASMEC and SMEs with safety, prevention, and management in the event of an accident or unforeseen disaster."

FASMEC is now collaborating with the government and humanitarian organizations according to Dara, "We consulted with the government on disaster preparedness and flood preparedness plans for the year 2020. Additionally, HRF now also allows us to participate in discussions and consultations on disaster management and prevention." He is confident that this mechanism will continue and enhance itself with FASMEC playing a pivotal role. "Our strategy is to strive for fundraising and humanitarian assistance to support and continue to distribute and train them more widely to understand the importance of disaster management to unite in the prevention and prevention of impending disasters." Dara observes significant progress because SMEs are also taking ownership of their part as a reflection of efforts from PPC, "We hope the partnership will continue to provide more support to the private sector through FASMEC as a representative. We promise to strengthen the partnership between NCDM and HRF integrating disaster management work into SMEs' people's perceptions." Dara also appreciates the regional exposure that the APP platform has provided, "We have engaged with six APP members through sharing experiences, providing capacity-building training on disaster management, and also linking partnerships between the government, CSOs, and private sector. For instance, a national platform of NGOs named CHF has never known FASMEC, but through APP we got to know each other and jointly engaged in many areas. This is help expand our understanding of exemplary ways forward."

The Asian Preparedness Partnership (APP) is a unique multi-stakeholder regional partnership established by its founding member countries which include Cambodia, Myanmar, Pakistan, Philippines, Nepal, and Sri Lanka. Formed in 2017 with technical and secretariat support from the Asian Disaster Preparedness Center (ADPC) as well as assistance from the Bill & Melinda Gates Foundation (the Foundation) and the United States Agency for International Development Bureau for Humanitarian Assistance (USAID BHA). Its goal is to achieve "safer and well-prepared communities through locally-led disaster risk management (DRM) actions, so that disaster impacts on at-risk communities of Asia will be reduced".



Asian Disaster Preparedness Center
 SM Tower, 24th Floor, 979/66-70 Phahonyothin Road,
 Phayathai, Phayathai, Bangkok 10400 Thailand
Tel: +66 2 298 0681-92
Fax: +66 2 298 0012
Email: adpc@adpc.net

- ✉ app@adpc.net
- ∞ Asian Disaster Preparedness Center - ADPC
- 🐦 @AsiaPrepared
- 📺 <https://app.adpc.net>
- 🌐 Asian Disaster Preparedness Center - (ADPC)