Best practices from VBRC in Risk Reduction, Emergency Preparedness, Response and Recovery
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Purpose of document
This guide is designed to highlight how a business resilience organization in the Pacific, the Vanuatu Business Resilience Council, has integrated itself into government and non-government humanitarian processes to play a meaningful role in disaster and climate preparedness, response and recovery as well as influence resilience building overall.

Our story has been one of localization. Rather than always await external experts, the Vanuatu Business Resilience Council has shown that it can play a leading role in disaster and climate management.

Background
Vanuatu has been ranked multiple times\(^1\) as the most risk exposed country in the world. For small business owners in Vanuatu, it is a matter of WHEN, not IF a disaster will affect our operations.

Tropical cyclone Pam struck Vanuatu on 13th March 2015. The eye of the category 5 cyclone passed close to Efate Island, where the capital city of Port Vila is located, with sustained winds of up to 270 kilometers per hour. It affected 188,000 people or 69 percent of the population across all six provinces in Vanuatu.

Cyclone Pam was a wakeup call of epic proportions that is we are to survive the current climate emergency, the private sector in the Pacific must get organized, get ready, and pivot into the climate change and disaster management space quickly and boldly.

\(^1\)The WorldRiskIndex 2021 assesses the disaster risk for 181 countries. This covers almost 99 per-cent of the world’s population
As a consequence of Cyclone Pam’s devastation, the Vanuatu Business Resilience Council (VBRC) was formed in 2017 in cooperation with the Ministry of Climate Change (MoCC) and through the support of the UNDP Connecting Business Initiative (CBI), Australian Department of Foreign Affairs and Trade (DFAT), Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) and the Pacific Islands Forum Secretariat (PIFS). The VBRC is a standing committee of the Vanuatu Chamber of Commerce and Industry (VCCI) to promote and strengthen mobilisation of the local private sector to support the country to meet its climate change and disaster risk reduction objectives.

After widespread consultation in 2019, the VBRC launched its Strategic Plan 2020-2023, outlining its vision to “effectively coordinate business engagement and multi-stakeholder partnerships between international and regional organisations, the government of Vanuatu, civil society and the private sector in CCDRR, emergency preparedness, response and recovery initiatives, resulting in local private sector actors demonstrating greater resilience and increased capacity.”

VBRC’s three strategic focus areas are strengthening business resilience, advocating for the private sector’s needs and priorities, and coordinating and engaging the private sector for humanitarian response.
Coordinating Disaster Relief where Government can’t reach

In the Pacific, you will find businesses operating everywhere, even where there is no permanent government presence in some of the most remote islands and villages. These businesses are often the lifeline to the community, and hold the key to rapid response and recovery.

Western Santo is one of the most remote and isolated geographic locations in Vanuatu, with mountainous terrain, no roads, limited mobile network connectivity, no grid connected electricity and drinking water primarily directly from rivers. When a disaster strikes, there is often no support forthcoming for months. When category 5 Cyclone Harold made a direct hit on Western Santo in 2020, 75% of homes and 52% of school infrastructure was destroyed and the food and water security of more than 2500 people in 21 villages was severely compromised.

Immediately, the private sector sprung into action. Within days local private sector experts on the ground at ground zero were in contact with the National Disaster Management Office with satellite phones, and organized airlifts for the most critically injured people, including children.

Urgent non-food items were delivered first, using privately owned ships and chartered with donations from the business community in the town of Luganville. When fallen and preserved foods available after the storm had run out, private sector coordinated with local NGOs to deliver food aid to more than 14 of the worst hit villages. In total, the VBRC and its private sector members facilitated the delivery of 35 tonnes of food and non-food items to over 1,000 households on West Santo.

The disaster monitoring and reporting undertaken by private sector experts was instrumental in defining the government response to the crisis, as they had no-one on the ground able to undertake these initial assessments. The private sector also established Community Disaster and Climate Change Committees (CDCCCs), which are a part of the official National Disaster Management Office structure, in each village to be able to manage recovery work, oversee logistical activities, supervised distributions of relief supplies, implement detailed plans, and build sustainable capacity at the local level for the next disaster.
Best Practices

- VBRC mobilized at the national level to enable private sector to immediately respond at the local level, as they were located at ground zero of the emergency, even in the most remote locations.
- VBRC used its networks within the Private Sector to quickly mobilize resources and expertise (e.g. ships, suppliers, assessment teams etc).
- VBRC helped establish local structures (CDCCCs), as part of government structures, that would be able to respond to future disasters, and that would “own” the relief and recovery process.
Business Continuity Planning through South-South Cooperation across the Pacific

One of the most important aspects of the VBRC work to date has been to demonstrate the value of localization.

After more than 40 years of independence, Vanuatu’s private sector stakeholders have been through more than their fair share of disasters and crises, and have learned a thing or two about staying open and quickly bouncing back. Why wait for external consultant experts when the knowledge and expertise is already in the Pacific’s private sector?

As a direct response to the COVID pandemic, and as a way towards self-reliance, the Vanuatu Business Resilience Council and Vanuatu Chamber of Commerce developed a series of resources to support the local private sector on preparing for COVID-19 virus and minimizing its effects on businesses.

Developed in the local Bislama language to cater for the majority of locally owned micro, small and medium sized enterprises, the VBRC, with the support of USAID, developed a Business Continuity Planning – How To Guide to take businesses through a planning process by which the end product is a tailored Business Continuity or Preparation Plan, to be created with staff input and implemented in times of business disruption. A Business Continuity Plan Template was also developed as a complementary resource to the guide.

Finally, the VBRC published its COVID-focused Human Resources Planning and Procedures guide providing a more detailed guidance for businesses to minimize health risk to employees and put plans in place to manage situations like visitors and staff coming from or returning from overseas, leave of absence procedures, and staff who may be quarantined or infected by the virus.

After rolling out more than 18 trainings for Vanuatu’s businesses in all the 6 provinces of Vanuatu, the VBRC upscaled these trainings virtually for colleagues in Fiji, Palau and Tonga with UNDP and ILO funding. The training resources are now in the process of translation into the native languages of these countries to be as most useful and relevant as possible. Over the two days virtual training, businesses learned how planning in advance provides a better chance of recovering quickly, and step by step how a business preparedness plan identifies entry points to keep essential functions up and running during a time of disruption.

Throughout the Pacific, VBRC has now undertaken 3 training of trainers, upskilling more than 40 trainers from different organizations who will then run the training with their own business communities.

Best Practices

• VBRC helped local businesses devise continuity plans that met their own needs through Guides and Checklists.
• South-South cooperation enabled upscaling across the region, not reinventing the wheel in each country.
After Cyclone Harold devastated a huge swath of the Northern Islands of Vanuatu, it became clear that response would be long, and many families would not receive the support they required to rebuild their lives.

Past experience shows that cash transfer solutions are the best way to get communities back on their feet, and directly pay for the goods and services that they require (rather than receiving aid by means of traditional tinned food supplies or standard tarpaulins chosen by the government.) Cash transfer solutions can often meet people’s immediate needs more quickly and appropriately than traditional aid. This choice supports improved dignity for the families and more appropriate use of funds for the specific family recovery needs.

VBRC partnered with Oxfam as well as a range of other NGOs, to encourage more appropriate inclusion of commercial businesses in humanitarian responses. This gave local suppliers the opportunity to provide the goods that people wanted using the stores and businesses they have used for years and come to know and trust.

By including commercial businesses in the response, VBRC supported the recovery of communities and the businesses within them concurrently, strengthening value chains and promoting more sustainable long-term solutions. Ultimately, this builds resilience more broadly across the economy and the local communities.

Rather than cold hard currency, with this program the VBRC jumped the technological divide and utilized cutting edge digital cash transfer technology based on blockchain. The program used e-voucher payments and mobile phone technology as the means to provide access to funds for affected families, who could access goods and services via a “tap and pay” card.
This card is then processed by selected businesses using a smart phone app to receive payment directly to their bank account.

The data collected showed that the beneficiaries used the funds completely differently than would have been done traditionally. Affected beneficiaries were choosing what to purchase that best suited their recovery needs—such as food supplies and shelter for example. Each family chose the right recovery items depending on their situation and for their needs.

VBRC played a critical role by mobilizing and training the vendors who participated in the program. A FAQs document was developed to assist the vendors, and it covered topics such as how vendors would receive payments electronically, how to access additional support through the program through a free call center and the local vendor coordinator, what to do if the program assets were damaged or lost, and what to do if internet was not available to load transactions.

VBRC also uniquely was able to work with vendors on how to process payments via smart phone using the app, demonstrating core functions like swiping, opening apps and logging in. These activities were taught using role plays and repetition, which took from between 20 minutes to 3 hours, depending on the smart-phone competency of local vendors.

For rural and remote businesses with proprietors and managers who had not completed their secondary education, VBRC provided additional financial literacy training of up to one full day to cover financial management, recording of sales and expenses, stock reviews, and basic accounting practices.

In total, VBRC registered, trained, and supported over 370 local vendors in three provinces, including pharmacies, market vendors, hardware stores, buses and boats, small community shops, utility providers, and many more. Localization was achieved!

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**Best Practices**

- Use local vendors to supply aid, not always importing from overseas.
- Give selection power and dignity back to the beneficiaries, and not assume what their relief and recovery needs may be.
- New technologies, such as electronic payments based on blockchain, allow for instantaneous tracking and monitoring, improving donor transparency.
- Comprehensive training on financial literacy is a prerequisite for many businesses in remote Pacific areas.

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Graph showing what clients purchased with their e-vouchers. A preference for long life food was observed throughout the program.
Solutions for Expanding Climate Finance Access for the Private Sector

In response to Melanesia’s highest-in-the-world vulnerability to climate change, Pacific Islands Forum Leaders and Economic Ministers have continuously reaffirmed the need for timely and simplified access to scaled-up financing.

Despite strong interest, and increasing rhetoric about the private sector’s role in mobilising climate finance under the Paris Agreement, Pacific businesses tend to play a peripheral role among climate change stakeholders, and receive only a fraction of the climate finance flowing to the region.

The Pacific’s Framework for Resilient Development in the Pacific (FRDP) recognises the critical role of private sector in ensuring its implementation, and gives clear direction on building public-private partnerships and building resilience within businesses.

Vanuatu’s private sector has been at the forefront of responding to the policy directions of leaders and calling for increased access to climate finance. It was a key speaker at the first sub-regional private sector workshops on accessing climate finance hosted in 2018 by the PNG Government and the Pacific Islands Forum Secretariat, the Green Climate Fund, and USAID. There Vanuatu’s private sector articulated its aspirations to be a leader, not a bystander, in local climate and disaster action. VBRC also committed to formalizing our organization to be a real voice and advocate for local micro, small and medium sized businesses climate and disaster challenges.

Fast forward to 2021, and the Vanuatu Business Resilience Council has already accessed Green Climate Fund Readiness resources to strengthen the role it provides to businesses and is a key stakeholder in disaster and climate change implementation.
In this context, the Pacific Islands Forum Secretariat co-hosted the 2021 Melanesia Sub-regional Private Sector Workshop on Climate Finance in Port Vila with the Ministry of Climate Change Adaptation (MoCCA) and the Vanuatu Business Resilience Council.

With an aim to provide a platform for businesses and the Green Climate Fund National Designated Authorities (NDA) of the five countries Melanesian (Fiji, New Caledonia, Papua New Guinea (PNG), Solomon Islands, and Vanuatu) to increase their awareness and access to climate finance and options for Public Private Partnership (PPP) and investment, the meeting saw huge gains made in trust and appreciation between government and private sector.

Key lessons gleaned from Vanuatu during the course of the discussion included:

- The private sector in the Pacific is innovative, and has the tools and financing to support development, contribute to social stability and be an agent of change.
- In order for Pacific businesses to start unlocking private investments towards cleaner and greener economies, including building back better post COVID-19, governments must provide the appropriate enabling conditions.
- By working together, Government and Private Sector stakeholders can achieve better outcomes when addressing complex crises like the COVID19 pandemic and climate change.
- The clarity of roles played by each stakeholder is essential, and in this way duplications can be avoided and trust can be strengthened.
- There must be institutions like the VBRC, working to connect grass-roots businesses through to national governments and the regional levels in the climate and disaster sectors.

As an immediate next step from the Workshop, the government of Vanuatu and the Vanuatu Business Resilience Council have commenced working on a Public-Private Partnership Policy to institutionalize these lessons and recommendations.

**Best Practices**

- Private sector can be an effective actor in climate change action, but enabling conditions are required beforehand.
- Green Climate Fund Readiness, Adaptation and Mitigation finance can effectively be channeled through the private sector as executing entities.
- Subregional work can help to advocate for a specific subset of climate oriented businesses at the regional and international levels.
Women as business resilience leaders

Pacific local businesses are perceived to be male dominated, but that isn't actually the case when you consider the thousands of each women in each nation dedicated to selling produce and building local food security!

Unsurprisingly, studies have shown that women-led businesses can fare much better than men’s in generating higher revenues, creating more jobs, having higher performance efficiency, and growing faster!

The VBRC acknowledges the vital role that female entrepreneurs play in Vanuatu, and for the resilience of our communities, and so with funding from the United Nations Peace and Humanitarian Fund for the Phoenix Women in Business Program, we set out to accelerate economic recovery by providing targeted support to female small business owners.

Specifically, VBRC provided specialist support to ten women-led businesses over 12 months, beginning in January 2021. The approach included a mix of life coaching sessions, one-on-one business mentoring, business skills workshops, and leadership skills development, tailoring our services to the specific needs of these women and their businesses in the local Vanuatu context.

We found that our approach was essential to building confidence and implementing the learning in real-life situations, including during the COVID pandemic and for confronting disaster situations. We are seeing real changes in these businesses, for example registering from VAT, utilizing electronic banking, processing staff payment via smartphone apps, installing ATM and EFTPOS machines in local shops, expanding the products on offer, localizing products and substituting imports, opening new branches and starting chains, and purchasing new industrial level machines.

In total, we worked with 10 female entrepreneurs from different industries, selecting candidates that were already in business, met the program criteria, and demonstrated a willingness to evolve and grow and focus on their leadership roles in their communities.

**Best Practices**

- Women entrepreneurs can bring substantial recovery and resilience benefits to their communities.
- By providing tailored support to specific businesses, rather than generic training, outcomes are substantially higher and women gain confidence in their operations.
- Rather than maximizing participants and minimizing impact for each, we are focusing on a very small group of entrepreneurs, and ensuring the impact is trans-formative.
- Grant funds are made directly available to participants who show progress during this coaching program.