

## Annex D

### Emergency Preparedness

In recent years, the APEC region has experienced a number of man-made and natural crises and disasters including terrorist attacks, the SARS outbreak, and most recently, the Indian Ocean tsunami of 26 December 2004, which resulted in enormous loss of life and economic damage. These events bring into sharp focus the need for robust early warning and response systems for future disasters of all kinds.

In responding to the tsunami disaster, ABAC has focused its attention on the challenge of effectively incorporating the region's business community in capacity building efforts for emergency preparedness. In its discussions, ABAC has considered each of the three phases associated with any natural or man-made disaster or situation, namely:

- **Resist phase** – measures aimed at defense and preparation for future event of scale;
- **Response phase** – relief efforts in the first hours and days of a crisis that can overwhelm traditional response mechanisms;
- **Recovery phase** – measures taken in the intermediate to longer-term following an event of scale to rebuild.

#### Recommendations

Based on its assessment of the current status of the regional business communities' involvement in Resist and Response phases, ABAC recommends that APEC create an **'All Hazards APEC Regional Response Network'**.

Such a network would seek to coordinate APEC's emergency preparedness efforts for future events of scale through a number of specific measures, including:

Resist Phase activities:

- Review of regional response capabilities
- Self assessments of individual economy capabilities
- A mechanism to capture and disseminate 'lessons learned' (e.g. public education for emergency preparedness, early warning communication, etc.)

- Establishment of region-wide communication and notification protocols for events of scale, which would seek to include the private sector along with other relevant government, multilateral, and NGO actors

To capture this information, ABAC recommends that the APEC Task Force on Emergency Preparedness build upon the website framework that currently exists, in order to create a **website** with the following six major sections:

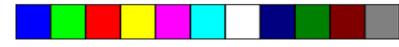
- Disaster response organizations in each economy, including links to their websites;
- Preparedness tools currently available from each economy (e.g. checklists, manuals, etc.);
- Response phase organizations (government, NGOs and private sector), including website links;
- Checklists for immediate Response phase needs;
- Lessons learned from previous events of scale; and
- Pages for specific events of scale containing up to date information, critical needs list and current status.

Many of the resources for such a website may already exist and require only coordination and supplementation to achieve the desired outcome.

Response Phase activities:

- Recent tragic experience has raised regional interest in the development of rapid response communications networks for use in natural disasters or in the event of a terrorist strike on national infrastructures. A number of APEC economies have trials in hand of potentially significant enhancements of current disaster recovery technologies. These include pre-packaged network infrastructure and remote access grid nodes that can be quickly deployed and made operational.
- As a first step in developing a regional response mechanism in the case of future





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natural disasters, ABAC recommends that APEC members work toward the development of an **Airport Emergency Team** capability within the region. Such a Team would be prepared to take over ground operations at response airport locations during the critical first days of a disaster response, when relief operations cause a sudden surge in incoming cargo.

### Structure of the APEC Regional Response Network:

- ABAC would propose that the reactivated APEC Task Force on Emergency Preparedness coordinate the Resist phase initiatives outlined above and be prepared to provide day-to-day direction during a Response phase.
- An Executive Committee, made up of officials, private sector representatives and NGOs would provide oversight and guidance to the APEC Regional Response Network.

ABAC encourages APEC member economies to allocate sufficient financial resources to the establishment of the APEC Regional Response Network and the delivery of the initial projects outlined above.

In the development of the All Hazards APEC Regional Response Network, ABAC would play a supporting role, working to mobilize the regional resources of the private sector.

### Recovery (reconstruction, rehabilitation)

Although focused on more intermediate and longer-term goals, the objective of the Recovery phase of any event of scale should be to restore “business as usual” as quickly as possible, restoring jobs and income to affected communities. The business community has an even larger part to play in this phase.

#### a. Financing Reconstruction

The region’s business communities play a critical role in reconstruction efforts following any natural disaster or other event of scale. APEC economies should seek to expedite this

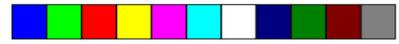
process by ensuring that the awarding of reconstruction contracts through international financial institutions and bilateral government programs is done quickly, efficiently and in a transparent manner.

The region’s financial services companies need to work closely with their governments in financing reconstruction following events of scale. Insurance providers should seek to settle claims quickly and develop new insurance products to offer protection against certain events of scale in more dangerous areas. The region’s banks, in partnership with their governments, play a critical role in providing financial resources for reconstruction and business rehabilitation in the aftermath of a catastrophe.

To facilitate the awarding of public sector contracts associated with disaster reconstruction, the use of web-based e-sourcing platforms can make a critical contribution to improving the efficiency of sourcing and procurement processes, as well as promoting greater transparency and accountability. Such online platforms can also assist in making these public tenders available to SMEs, either individually or as part of consortia. One example is the ABECHA sourcing and procurement hub ([www.abecha.com](http://www.abecha.com)), supported by the Singapore Business Federation, which has offered its services free of charge to assist with tsunami reconstruction efforts.

### Recommendations

- As part of the work of the APEC Task Force on Emergency Preparedness, APEC member economies should undertake a review of best practices in providing public-private partnership financing for reconstruction.
- ABAC encourages APEC economies to review their procedures for the awarding of reconstruction contracts through IFIs and bilateral government programs and to develop protocols for fast-tracking the awarding of reconstruction contracts.



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- ABAC calls upon APEC economies to undertake a review of insurance availability for business assets against certain risks and take steps to liberalize their financial services industries, where necessary, to ensure that business and homeowners have access to the widest possible range of insurance options to protect their assets.

### b. Support for MSMEs

Micro-, small- and medium-enterprises (MSMEs) form the backbone of the economy in all APEC economies, providing employment and income to millions. The sooner that livelihoods are restored and businesses are up and running again following a disaster, the better for the villages, towns and cities in which they operate.

With regard to financial support for rehabilitation, microcredit lending has already been used in certain APEC economies hard hit by natural disasters. ABAC has in the past highlighted the need to strengthen the capacity of micro-finance institutions (MFIs), including upgrading the quality of management, improving accounting and administration and facilitating links with public institutions providing aid funding.

In addition to financial support, MSMEs may also need access to retraining programs where a disaster has devastated their particular industries, whether temporarily or permanently. Working in partnership with government programs, small business advisors can deliver educational and training solutions to local entrepreneurs to promote the successful development of new micro-enterprises in the wake natural or man-made disasters.

### **Recommendations**

- ABAC encourages APEC Finance officials to undertake a review of financing

options that can be made available to MSMEs in case of events of scale, including microcredit lending, loan guarantees, leasing arrangements, venture capital funds and other innovative lending and equity financing mechanisms.

- Similarly, ABAC calls upon the APEC SME officials to undertake a review of the resources available in each APEC economy for MSME retraining and how these can be mobilized in the aftermath of an event of scale. ABAC encourages APEC SME officials to share best practices and 'lessons learned' in the delivery of SME retraining programs.

### c. Restoring Confidence

Following any disaster – whether natural or man-made – a critical factor in full economic recovery is the challenge of restoring confidence in the affected region in the eyes of the outside world. Providing positive and accurate information on recovery efforts is critical to rebuilding investor and business confidence in an affected region. Restoring the confidence of consumers is also important, particularly at it relates to tourism. Here, the region's marketing and communications industries can assist in targeted information and promotional campaigns, aimed at rebuilding confidence and overcoming misperceptions of potential tourists to the region.

### **Recommendation**

ABAC encourages APEC Ministers to instruct their relevant promotion agencies (i.e. tourism, investment, trade) to review their emergency preparedness planning to ensure that they have the necessary resources in place to mount a campaign aimed at restoring confidence following an event of scale, working in close partnership with the private sector.

