



# BEST PRACTICES IN RISK REDUCTION, EMERGENCY PREPAREDNESS, RESPONSE AND RECOVERY

A Vanuatu Business Resilience Council Case Study

The Connecting Business initiative (CBI) is a partnership between the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the UN Development Programme (UNDP), and is dedicated to supporting the private sector in preparing for, responding to, and recovering from disasters. Contact: [connectingbusiness@un.org](mailto:connectingbusiness@un.org)

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### Purpose of document

This document provides details of the Vanuatu Business Resilience Council's (VBRC) role and approach to supporting the businesses in the Oxfam UnBlocked Cash humanitarian programme in 2020-2021 in Vanuatu.

While this report documents the learnings using blockchain technology, by sharing the key details

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from this programme, VBRC aims to encourage more appropriate inclusion of commercial businesses in humanitarian responses as well as support the appropriate use of similar digital cash transfer programmes in humanitarian response more broadly.

### Acronyms

**VBRC:** Vanuatu Business Resilience Council

**VCCI:** Vanuatu Chamber of Commerce and Industry

**KYC:** Know Your Customer (Legal Requirement for Data Validation)

Cover photo: The community rebuilding homes after Tropical Cyclone Harold devastated Western Santo in April 2020.

Credit: Glen Craig, VBRC

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# EXECUTIVE SUMMARY

The Vanuatu Business Resilience Council (VBRC) was created in 2017, two years after Category 5 Cyclone Pam struck Vanuatu and caused widespread devastation. Since then, the VBRC has been developing and implementing programmes around disaster preparedness, response, and recovery.

This document presents a selection of five such initiatives alongside “Best Practice Takeaways” for each, with the intent of enabling other organizations, and in particular other island chambers, to learn from VBRC’s experience. The hope is that by using this document as a reference, entities will be able to start a step ahead, without having to reinvent the wheel but merely adapt VBRC’s learnings to their context for greater impact.

The five case studies are:

1. Solutions for **expanding climate finance access** for the private sector
2. **Business continuity planning** through South-South cooperation across the Pacific
3. **Women as leaders for business resilience:** “The Phoenix Project”
4. **Coordinating disaster relief operations in hard-to-reach areas** in the context of Cyclone Harold
5. **Blockchain technology enables recovery with dignity**



The VBRC’s blockchain initiative boosted the economy while supporting early recovery. Read more about the Unblocked Cash Programme on p. 14  
Credit: Oxfam in Vanuatu/Arlene Bax

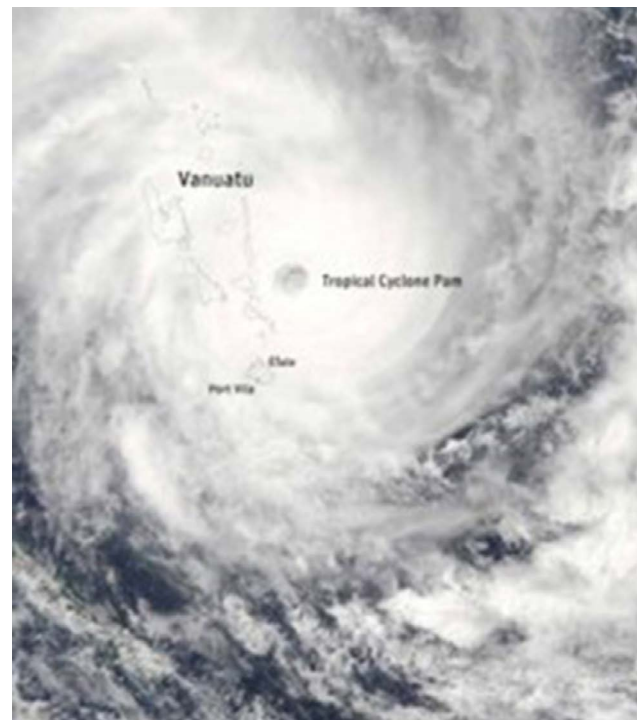
# BACKGROUND

Vanuatu has been ranked multiple times in the World Risk Index as the most risk-exposed country in the world ([WorldRiskIndex 2021](#) assesses the disaster risk for 181 countries, covering almost 99% of the world's population). For small business owners in Vanuatu, it is a matter of WHEN, not IF a disaster will affect our operations.

Category 5 Cyclone Pam struck Vanuatu on 13th of March 2015, with the eye of the storm (270 kilometers per hour winds) affecting 188,000 people – more than half of the national population – and all six provinces. The total economic effects were estimated to be US\$449.4 million. Humanitarian aid received by Vanuatu was less than US\$100 million, meaning that island families and micro, small and medium sized enterprises (MSMEs) businesses had to foot the costs of response and recovery.

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.

The WorldRiskIndex 2021 assesses the disaster risk for 181 countries. This covers almost 99 per-cent of the world's population.



Vanuatu was hit by Tropical Cyclone Pam in 2015 and is in a high-risk zone when it comes to such weather patterns. Credit: NASA Goddard MODIS Rapid Response Team

# INTRODUCTION

## PRIVATE SECTOR DISASTER AND CLIMATE COORDINATION THROUGH THE CHAMBER OF COMMERCE

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-OCHA Connecting Business Initiative (CBI), the Australian Department of Foreign Affairs and Trade (DFAT), the Deutsche Gesellschaft für 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, civil society and the private sector in climate change and disaster risk reduction (CCDRR), emergency preparedness, response and recovery initiatives, resulting in local private sector actors demonstrating greater resilience and increased capacity," and its three strategic focus areas (see diagram below). As for how Vanuatu's private sector has succeeded on the ground, the following five case studies exemplify some of the best practices of the VBRC in disaster preparedness, response, and recovery.



The VBRC three strategic focus areas. Credit: VBRC

# CASE STUDY 1

## Solutions for expanding climate finance access for the private sector

In response to Melanesia's five countries (Fiji, New Caledonia, Papua New Guinea (PNG), Solomon Islands, and Vanuatu) qualifying as one of the regions that is most vulnerable to climate change, the 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 mobilizing climate finance under the Paris Agreement, Pacific businesses still tend to play a peripheral role among climate change stakeholders and receive only a fraction of the climate finance funding flowing to the region.

The Pacific's Framework for Resilient Development in the Pacific (FRDP) recognizes the critical role of the private sector in ensuring the implementation of resilient development strategies and activities 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 financing for the private sector.

The VBRC was a key speaker at the first sub-regional private sector workshops on accessing climate finance hosted in 2018 by the Papua New Guinea (PNG) Government, the Pacific Islands Forum Secretariat (PIFS), 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.

The VBRC also committed to formalizing itself as a voice advocating for local MSMEs with regards to climate and disaster challenges.

Fast forward to 2021, and the VBRC has already accessed Green Climate Fund Readiness resources to strengthen the role it provides to businesses, and the organization is a key stakeholder in disaster and climate change implementation.

In this context, PIFS 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 VBRC.

Participants of the Melanesia Workshop in Port Vila in 2021  
Credit: VBRC



With an aim to provide a platform for businesses and the Green Climate Fund, National Designated Authorities (NDA) of the five countries in Melanesia to increase awareness and access to climate finance and options for Public Private Partnerships (PPP) and investment, the meeting saw huge gains made in trust and appreciation between governments and the private sector.

**Key lessons gleaned from Vanuatu during 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.
- 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 COVID-19 pandemic and climate change.
- The clarity of roles played by each stakeholder is essential, to avoid duplications and strengthen trust.
- The role of business networks like the VBRC is essential in terms of their ability to connect smaller local businesses with national governments and through to the regional levels with regards to key collaborative action that is needed to address the climate emergency and disasters.

As an immediate next step, the Government of Vanuatu and the VBRC have begun working on a Public-Private Partnership Policy to institutionalize these lessons and recommendations.

**BEST PRACTICE TAKEAWAYS**

- **The private sector can be an effective actor in climate change action, but enabling conditions can only be established by national governments.**
- **Green Climate Fund Readiness as well as 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.**



The VBRC was among the first to respond to Tropical Cyclone Harold in 2020 and provide emergency relief to affected communities in remote islands.

Credit: VBRC / Glen Craig



# CASE STUDY 2

## 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 they have learned a lot about staying open and quickly bouncing back. Why wait for external experts when the knowledge and expertise is already in the Pacific's private sector?

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

Developed in the Bislama local language to cater for the majority of locally owned micro, small-, and medium sized enterprises (MSMEs), the VBRC, with the support of USAID, developed a Business Continuity Planning (BCP) How-to Guide. Its goal was to take businesses through a planning process with as an end-product a tailored business continuity or "Preparation Plan", to be created with staff input and implemented in times of business disruption. We also developed a Business Continuity Plan template that accompanies the guide.

Finally, the VBRC published its "COVID-focused Human Resources Planning and Procedures Guide" providing 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 across all the 6 provinces of country, the VBRC upscaled these trainings virtually for colleagues in Fiji, Palau and Tonga with funding from the United Nations Development Programme (UNDP) and the International Labour Organization (ILO).

Over the two-day virtual training, businesses learned how planning in advance provides a better chance of recovering quickly, and the details related to how a business preparedness plan identifies entry points to keep essential functions up and running during a time of disruption.

The training resources are now in the process of being translated into the native languages of the aforementioned countries in the Pacific region to be as most useful and relevant as possible.

Last but not least, throughout the Pacific, VBRC has now undertaken three training of trainers, upskilling more than 40 trainers from different organizations who will then run the training within their own business communities.

### BEST PRACTICE TAKEAWAYS

- **Supporting local businesses to devise business continuity plans that meet their own needs through Guides and Checklists.**
- **Leveraging South-South cooperation to upscale across the region, rather than reinventing the wheel in each country.**
- **Leveraging local businesses who are often already on the ground during and after crises and can therefore assess and respond faster than public authorities.**

## CASE STUDY 3

### Women as leaders for business resilience

Pacific local businesses are perceived as male-dominated, but the reality is that there are thousands of women in each nation dedicated to selling produce and building local food security.

Studies have shown that women-led businesses can fare much better than men's in terms of generating higher revenues, creating more jobs, having higher performance efficiency, and growing faster.

The VBRC acknowledges the vital role female entrepreneurs play in Vanuatu, including their contribution to the resilience of communities, and so with funding from the United Nations Peace and Humanitarian Fund for the Phoenix Women in Business Program, the VBRC set out

to accelerate economic recovery by providing targeted support to female small business owners.

Specifically, the VBRC provided specialist support to 10 women-led businesses over a 12-month period, 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, tailored to the specific needs of these women and their businesses in the local Vanuatu context.

This approach was essential to building confidence and implementing the learning in real-life situations, including during the COVID-19 pandemic and to better confront



The Phoenix Project - Women business owners in Vanuatu Credit: VBRC/Groovy Banana



The Phoenix Project - Sophie Tariliu - Vanuatu Credit: VBRC/Groovy Banana

disaster situations. Real changes were seen in these businesses, for example registering for Value-Added Tax (VAT), utilizing electronic banking, processing staff payments via smartphone apps, installing ATM and electronic funds transfer at point of sale (EFTPOS) machines in local shops, expanding the products on offer, localizing products and substituting imports, opening new branches and starting chains, purchasing new industrial level machines, and more.

In total, 10 female entrepreneurs from different industries participated in the programme. Selection criteria included already being in business, meeting the programme requirements, and a demonstrated willingness to evolve and grow and focus on their leadership roles in their communities.

Read more about Project Phoenix [here](#).

### BEST PRACTICE TAKEAWAYS

- **Women entrepreneurs bring substantial recovery and resilience benefits to their communities.**
- **By providing tailored support to specific women-led businesses, rather than generic training, outcomes are substantially higher, and women gain confidence in their operations, improving their results and scaling up their operations.**
- **Rather than maximizing participants and minimizing impact for each, we intentionally focused on a very small group of entrepreneurs to ensure the impact was transformative.**
- **Grant funds were made directly available in the aftermath of the Phoenix Women in Business Program to participants who showed progress during this coaching programme.**

# CASE STUDY 4

## Coordinating disaster relief operations in hard-to-reach areas



As part of the emergency response to Tropical Cyclone Harold organized by the VBRC in 2020, food aid and other items were transported by boat and dispatched to the community, like here in Santo. Credit: VBRC / Glen Craig

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 most of the drinking water obtained 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.

The private sector immediately sprang into action. Within days, local private sector experts on the ground were in contact with the National Disaster Management Office (NDMO) with satellite phones. They organized airlifts for the most critically injured people, including children.

Urgent non-food items were delivered first, using privately owned ships chartered with donations from the business community in the town of Luganville. When fresh and preserved foods available after the storm had run out, the local private sector cooperated with local non-governmental organizations (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 Western Santo.

Beyond that, 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 NDMO 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 for the next disaster.

### BEST PRACTICE TAKEAWAYS

- **Mobilizing VBRC members at the national level to enable the private sector to immediately respond at the local level, as they were already located on the ground, even in the most remote locations.**
- **Using private sector networks, to quickly mobilize resources and expertise (e.g., ships, suppliers, assessment teams, etc.).**
- **Establishing local structures, part of Government structures, that would be able to respond to future disasters, and that would “own” the relief and recovery process.**



Vanuatu Tropical Cyclone Harold - Rebuilding houses Credit: VBRC / Glen Craig

# CASE STUDY 5

## Blockchain technology enables recovery with dignity



The VBRC-Oxfam Unblocked Cash Programme enables local populations to purchase and sell goods through their mobile phones, using blockchain technology. Credit: Groovy Banana/VBRC

After Cyclone Harold devastated a huge swath of the Northern Islands of Vanuatu, it became clear that recovery would take a long time, and that many families would not receive the support they required to rebuild their lives.

Cash solutions is one of the best ways to get communities back on their feet, as they can often meet people's immediate needs more quickly and appropriately than traditional aid, typically focused on providing tinned food supplies and standard tarpaulins. The cash transfer approach supports improved dignity for the families and more appropriate use of funds for the specific family recovery needs, fuelling local procurement as a way to boost the local economy while speeding up the response and recovery.

Through this programme, VBRC partnered with Oxfam as well as a range of other NGOs to encourage more appropriate inclusion of commercial businesses in humanitarian response. We wanted local suppliers to be given the opportunity to provide the goods people wanted, using stores and businesses they have used for years and have come to know and trust. By including local commercial businesses in the response, we supported the recovery of communities and the businesses within them concurrently, thereby also strengthening value chains and offering more sustainable long-term solutions. Ultimately this builds resilience more broadly across the economy and community.

Rather than cold, hard currency, with this programme the VBRC jumped the technological divide and utilized cutting edge digital cash transfer technology based on blockchain. This programme 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 was then processed by select businesses using a smart phone app to receive payment directly in their bank account.

VBRC found that funds were used completely differently than would have been done traditionally. Affected beneficiaries were choosing to purchase what best suited their recovery needs, such as food supplies and shelter to name but two examples. Each family chose the right recovery items depending on their situation and for their particular requirements.

This programme could not have been rolled out without the private sector, as we not only mobilized the vendors, but also trained them, and produced a “Frequently Asked Questions” (FAQs) document covering issues such as how vendors would receive payments (electronically), how to access additional support through the programme (by reaching out to a free call centre and talk with a local vendor coordinator), what to do if assets were damaged or lost, or what to do if internet was not available to load transactions.

VBRC also worked with vendors on how to process payments via smart phones using the app, demonstrating core functions like swiping, opening apps, and logging in to vendors who previously had low digital literacy. 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.



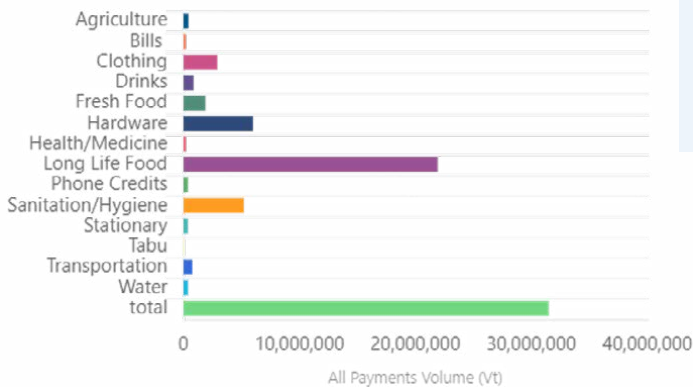
Mele Rara is an unblocked cash vendor in the rural village of Tasiriki where he runs a fish market. He has new customers and has made increased profits which have helped him and his family in the wake of cyclone Harold. Credit: Arlene Bax/Oxfam in Vanuatu.

For rural and remote businesses, with proprietors and managers who often had not yet completed their secondary schooling, VBRC provided additional financial literacy training of up to one full day. We taught financial management (recording sales), stock reviews and basic accounting practice.

In total, the 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 more!

Localization at its best.

This initiative was written up by [Oxfam](#) and in media outlets such as [the Guardian](#). A [report](#) was also produced by the VBRC and with CBI support, presenting the programme and key lessons learned.



Graph showing what clients purchased with their e-voucher – a preference for long life food was observed throughout the programme. Credit: VBRC

### BEST PRACTICE TAKEAWAYS

- Using local vendors to supply aid through local procurement opportunities rather than always importing supplies from overseas.
- Giving selection power, and their dignity, directly to beneficiaries, rather than assuming what relief and recovery needs they may have.
- Leveraging new technologies, such as electronic payments based on blockchain technology, allows for instantaneous tracking and monitoring, improving donor transparency.
- Providing comprehensive training on financial literacy should be a prerequisite for any such initiative targeting small businesses in remote Pacific areas.





The women who graduated from Project Phoenix are community leaders, selected by the VBRC to contribute to a more resilient recovery. Credit: Sylvia Mansale GROOVYBANANA

## CONCLUSION

This document is intended to highlight how the Vanuatu Business Resilience Council (VBRC) has come to play a meaningful role in climate risk management, disaster preparedness and response, and influence resilient recovery overall.

By sharing a selection of good practices, we hope to inspire other business networks, especially island chambers and other similar business resilience councils, to take matters into their own hands. By integrating with the government and becoming a humanitarian partner, the VBRC is proud to remind its peers

that a lot of positive impact can be achieved without waiting for outside help.

The foundation of the VBRC is a strong belief that the private sector must be a part of the solution as well as engaged in the initiatives designed and implemented to foster societal resilience through business and community resilience. By sharing our experiences and our lessons learnt, we hope other private sector networks, trade associations, and business federations will find their way to engage in disaster preparedness, response, and recovery.

