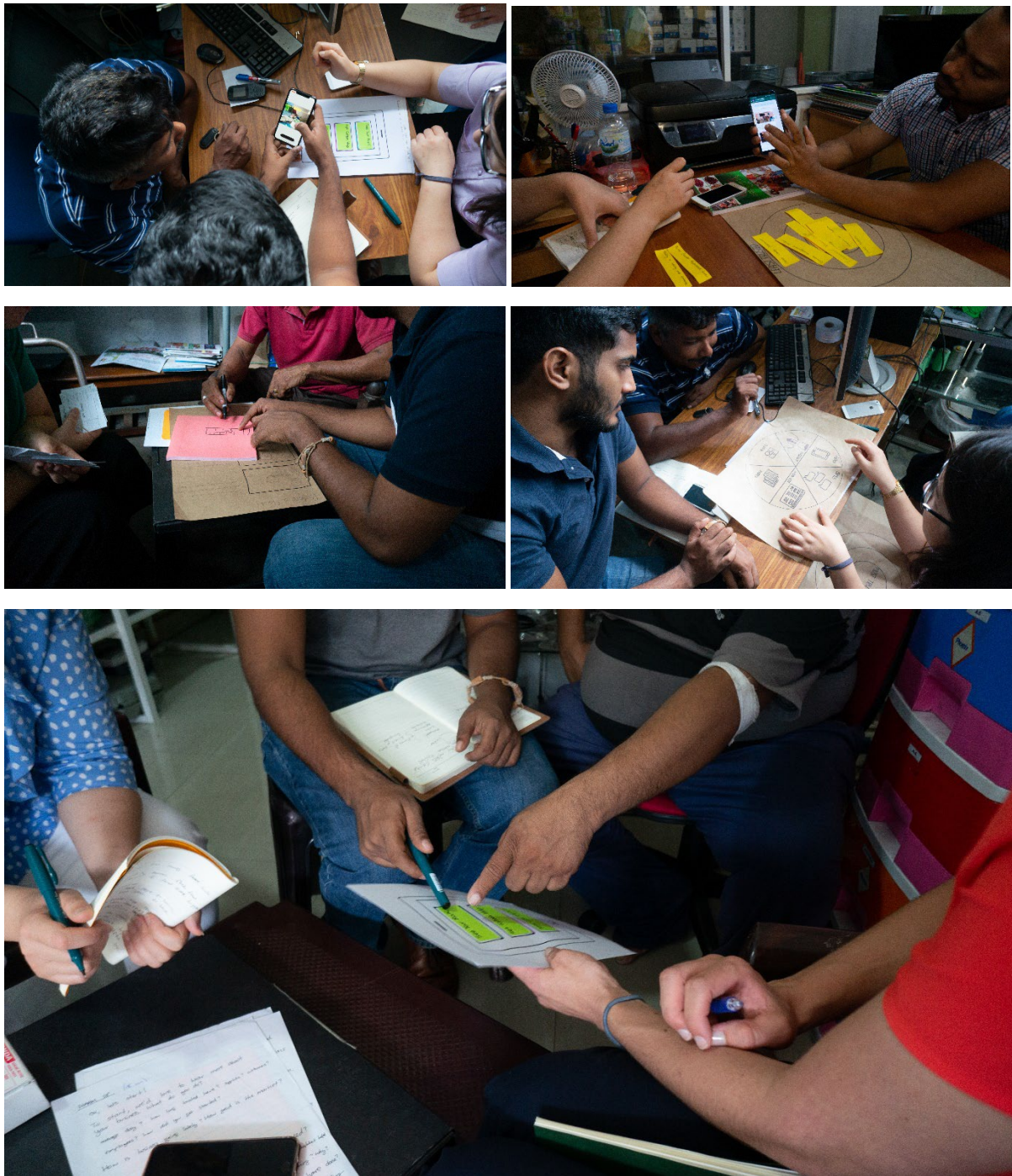


*Picture 1-2: Baseline data collecting, Sri Lanka, 2018-2019. A business owner is describing the past flood experience to the project team*



*Picture 3-6: Co-creation workshop, Sri Lanka 2019. Participants are in the discussion on the needs for resilience building tool for SMEs*





*Picture 7-11: Co-creation 1-to-1 interview with business owners, Sri Lanka 2019. The project team holds 1-to-1 conversations with local SME owners in understanding their needs for resilience building*





*A local herb tea producer lift its workshop and equipment to reduce flood losses*



*Local manufactories' generator and pump raised above ground/flood level to avoid flood damages*

*Picture 12-15: Adaptation measures taken by local business owners, Sri Lanka, 2019-2021*



# New Mobile APP aims at Building Businesses' Climate Resilience in SL



**THROUGH A NEW APP, SRI LANKAN BUSINESSES CAN PREPARE FOR FLOODING AND REDUCE LOSSES. A NEW MOBILE APP IS A RESILIENT PLATFORM HELPING BUSINESSES TO LOWER THE RISK OF FLOODING AND PREPARE FOR COMING EXTREME WEATHER EVENTS.**

Floods are among the most common disaster events in Sri Lanka, and small and medium sized enterprises are some of the most vulnerable businesses. SMEs are the backbone of the national economy that drive the economic growth, employment generation and poverty reduction. Consequences of any natural disaster damage to the SME sector reflects badly in the national economy.

They commonly experience a drop in sales volume and a severe impact on business operations following these climate related disasters. In the recent past, SMEs were impacted with huge damages and losses due to recurring floods. It has been reported that in 2017, the damages and losses due to floods and landslides to the productive sector, namely agriculture and industry & commerce, was Rs. 17 billion and it was 25% of total damages and losses. Some of SMEs were damaged due to flood water, while others had heavy losses due to inaccessibility by employees, customers, and suppliers etc.

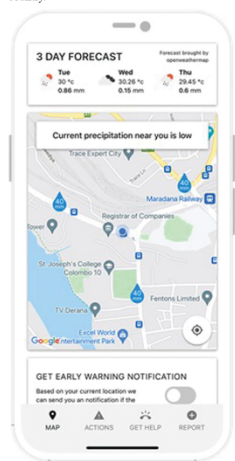
Further, the economic repercussions of floods have exponentially increased and are expected to impact Sri Lanka's annual GDP by USD 338 million in 2030. Majority of affected SMEs are not properly prepared for disasters and always expect government relief schemes for their revival. There are large number of SMEs that are not formally incorporated and hence they suffered lot of difficulties accessing relief programs.

Not only climate induced disasters, but the current pandemic situation has also impacted heavily on businesses, mainly on the small and medium enterprises. At this juncture of economic development of the country the resilience of businesses is prime important. It is unfortunate that some of the SMEs are failed to revive with no adequate contingency measures. The apparel and tourism sectors are the promising sectors for the national economic development. Additionally, there is a boom in the development of agriculture sector value chains, particularly with export potentials. However, the natural disasters paralyze the operations of these sectors more rapidly.

Though the business communities are an important element in disaster risk management, there are only a few initiatives for improving the resilience of businesses in Sri Lanka. Promoting individual business resilient measures, a few recent initiatives have been launched to

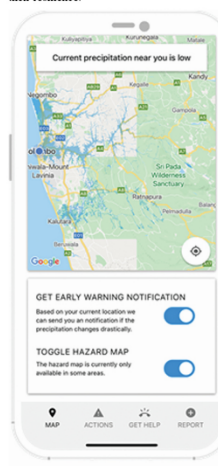
encourage improved preparedness of entrepreneurs and contingency plan for the "Business Continuity" at any disruption.

However, we must acknowledge the fact that most of small and micro entrepreneurs are lack of both technical and financial capacities. The "Building Businesses' Climate Resilience" project is a timely, and very specific initiative that particularly addresses the SME sector in the country.



The "Building Businesses' Climate Resilience" (BBCR) app is a new tool for Sri Lankan businesses to reduce their damages and losses. Having enough consultations and discussions with Sri Lankan business communities and related services providers, the BBCR tool has been developed as a mobile app. Moving with the current trends in this digital era, the BBCR app provides resilience information to the functionality of the entrepreneurs. The tool is a good platform for sharing not only information but also link the required resources to enhance emergency preparedness and contingency planning within the business community. The app provides easily accessible guidance and recommendations to enhance the ability of small and medium sized enterprises to prepare for and reduce the negative impacts of flooding events. Accordingly, the app provides more opportuni-

ties for SMEs to act proactively for building their resilience.

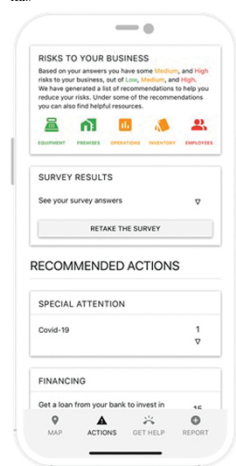


Following a co-creation phase and piloting of the app together with owners of small and medium-sized businesses, number of essential features have been incorporated into the app. In coordination with different partners the app shares available data and information with the tool for the benefit of business communities.

The app allows near real-time rain data tracking within last 24 hours. Not only government sourced rainfall data, but the app has also created with a specific feature for crowdsourcing rainfall data. The entrepreneurs are encouraged to be volunteered for measuring rainfall and uploaded into the app for the benefit of fellow entrepreneurs. The adverse changes in rainfall notify early to the entrepreneurs allowing activation of their contingency plans to reduce damages and losses.

There are number of flood hazard maps, which are modelled by relevant institutions with scientific data, have been shared through the BBCR app. Zooming easily to the business location, locational flood risk at businesses can be determined. The feature is importantly help entrepreneurs for taking decisions on the locational flood risk. The existing businesses within flood hazard zones may utilize the information

for retrofitting the premises improving the resilient.



Interestingly, the tool has built with capabilities for self-assessment of the specific vulnerabilities and flood risk levels of SMEs based on their geography, physical and financing measures. The tool assesses the risk at key business elements of equipment, premises, operations, inventory and employees and the degree of risk is given in three levels of low, medium, and high.

The BBCR app has built to provide tailored recommendations for the businesses based on the answers given through the survey. The recommendations are listed in three categories of financial, structural, and general. There are a few key resilient measures are importantly recommended for reducing the risk. Fulfilling requirements as per the proposed recommendations, the BBCR app provide links accessing agencies and services. Accordingly, the app enables environment with a new resilient business ecosystem. Structural interventions are recommended for minimising the damages and losses through retrofitting the existing structures and infrastructure withstands them against the flood waters.

The "Business Continuity Management" (BCM) is a key to operate the businesses, even at a reduced level, to meet the obligatory commitments. However, BCM is somewhat new to Sri Lankan businesses. Disaster Management

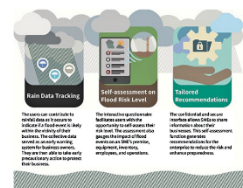
Center, Ceylon Chamber of Commerce, and Asian Disaster Preparedness Center have taken number of initiatives building the knowledge and capacities of business communities for introducing BCM. Financing for resilient is a major factor of concern and hardly any financing schemes are available for businesses. Even the residual risk financing options, such as insurance for natural disasters, are yet to be improved in the country. As such, there are also several new opportunities are prompted through the app for servicing and providing resilient interventions.

Apart from the intended services of the BBCR app, there are a few additional features benefiting the business and service providers. In an engagement with other businesses in a value chain or as input provider, BBCR app help the assessment of the risk of failure at the other party in a flood situation. This will also help financing institutions to measure the flooding risk of proposed investments for making funding decisions. Further, the app helps daily operations of the businesses dealing with rain sensitive products or services.

The BBCR app is the result of a project launched in September 2018 to support local small enterprises in Sri Lanka to be better prepared for disruptive flooding events worsened by climate change. The project is led by the UNEP DTP Partnership in partnership with Asian Disaster Preparedness Center (ADPC) Thailand and Sri Lanka, the Ceylon Chamber of Commerce (CCC) Sri Lanka, and MPEsystems India with funding support from the Nordic Climate Fund (NCF).

The project and the app have gained recognition from relevant Government agencies of Sri Lanka working on disaster management and supporting business development in the country, including the Ministry of Industries and the Disaster Management Center.

Following the experience in implementation the project and the BBCR app in Sri Lanka, the aim is for further dissemination in the Asia region, allowing countries with similar circumstances to benefit from the features presented.



For more information about the BBCR project or tool could be obtained from Kilian Murphy, email: kilian.murphy@adpc.net or, Lindy Charley, email: linchc@dtu.dk

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Picture 16: National business newspaper reports on the BBCR mobile App, Sri Lanka, 2021