

Problem Statement: Private Sector Action to Build Resilient Supply Chain Communities



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Refined Problem Statement

Supply chain factories throughout South and Southeast Asia are important drivers of economic growth and are often the primary source of livelihoods in communities – a pathway out of desperate poverty for millions of people. In Bangladesh alone, the textile industry represents more than 45% of the nation's industrial employment, generating 5% of the nation's GDP. Employing nearly four million people (80% women), this sector exports nearly \$5B per annum to the developed world, contributing 78% of the nation's export earnings on an annual basis. Most of these factories are located in urban areas, employing the urban poor and motivating the rural poor to move to cities in search of jobs. These migrations, combined with the already high natural levels of population growth in Asian cities, resulted in the largest increase in urbanization from 1990 to 2010 ever seen in a 20-year period in human history. Between 2010 and 2020, a projected 60% of global urban growth will occur in Asian cities, representing 411 million people and spurring Asia's urban population to reach 50% by 2026.ⁱ

Rapid economic growth and urban migration are making deep social impacts on families and communities. While worker livelihoods have improved, the labor market is highly fluid and jobs are far from secure. Women's participation in the workforce has increased; in 2012, women made up 18% and 21% of the industrial workforce in Thailand and India, respectively.ⁱⁱ However, gender stratification in companies and industries is prevalent, with men serving in management roles and filling more permanent highly skilled jobs while women are mainly employed in low-wage, temporary positions with minimum training and poorer working conditions. As more women join the formal workforce, traditional gender roles and power dynamics are being tested. In Bangladesh, for instance, industrialization has increased the average age of marriage for women and improved their financial stability.

Migrant workers make up a significant portion of the labor force in global supply chains: 98% of garment workers in export processing zones in Bangladesh (82% just in Dhaka) migrated from rural areas.ⁱⁱⁱ This vulnerable segment of the labor force is exposed to risks in their living and working conditions, and lack of access to trade unions and legal protections.^{iv} Tensions between long-standing communities and newly arrived migrant workers are present in some communities and can hamper mutual cooperation.

This nexus of urban growth and globally vital economic assets in South and Southeast Asia comes together in two of the most disaster-prone regions of the world, at particular risk to water-related hazards.^v Much of the urban development is unplanned, and as growth pressures increase, development extends into more-hazardous land areas. Factories, key infrastructure, and slums housing factory workers are often located in highly exposed risk areas along rivers, deltas and coasts.^{vi} Sustainable urban planning and disaster risk reduction measures compete for the attention of government officials focused on delivering services and maximizing scarce budgets. These critical factors – the increasing frequency and severity of water-related hazards, driven by climate variability and climate change and compounded by poor development choices; the scarcity and thus price of land in rapidly-growing urban areas and development corridors; and the degradation of natural resources – pose considerable risks to economic activities along the supply chain, the environment, and the social wellbeing of communities.

Acute shocks such as floods and tropical cyclones have long affected this part of Asia, but the number of people impacted has increased dramatically in recent decades. From 1970–2010, the average number of people exposed to yearly flooding rose from 30 million to 64 million, and people living in cyclone-prone areas increased from 72 million to 121 million.^{vii} As pernicious, but harder to quantify, is the intensification of chronic stresses in the region, many of which are also water-related; for example: 1) the reduction in Himalayan ice pack, source of every major river in the region; 2) the fact that one-third of Bangladesh, a country that plays a major role in the global textile industry, is less than one meter above sea level; and 3) the increasingly erratic monsoon season in India and Bangladesh, and resulting impacts on crop production and seasonal availability of water for manufacturing. Indeed, the Notre Dame Global Adaptation Index places both India and Bangladesh in the high vulnerability-low readiness category with respect to climate adaptation.^{viii}

Economic losses from disasters have also increased sharply.^{ix} Between 2004 and 2013, disasters in the region caused over \$560 billion (2005 USD) worth of damage, largely accounted for by higher-income countries. However, in terms of GDP, low-income countries such as Bangladesh suffer disproportionately more economic loss and damage.^x 2011 was the region's costliest year on record, with total losses amounting to nearly \$300 billion (81% of global losses). The Thailand floods and Great East Japan earthquake and tsunami account for a significant proportion of the 2011 losses, and are dramatic examples of the extent to which disasters can impact global value and supply chains.^{xi}

Acute shocks and chronic stresses caused by environmental hazards have wide-ranging impacts on both the supply chain and the local communities. Suppliers may have to delay or miss deliveries and in some cases simply default on their orders. They can experience direct losses related to destruction of facilities, recovery costs, and lost income. They may experience indirect losses due to disruption of distribution networks, power or water supply. In 2013, the private sector in Bangladesh lost 3.7% of total sales due to power outages, while in 2014, Indian firms lost 2% in sales due to outages.^{xii} When suppliers have to suspend production, it affects supply chain partners both up and downstream. Workers lose their jobs and communities dealing with the aftermath of the disaster or stresses lose a precious source of income. Communities, companies and even countries not in geographical proximity to the initial hazard can be affected given the cross-border, integrated nature of the supply chain. And it is not just large suppliers that suffer: small and medium enterprises (SMEs) employ around half of the labor force and contribute up to 50% of GDP in some economies, and are at greater risk relative to the size of their operations due to weak coping and adapting capacities.^{xiii}

2011 Thailand Floods

- Total economic damages: \$45 billion
- Private sector: 90% of total (public and private) losses (*UNESCAP and UNISDR, 2012*)
- Hardest-hit sectors: Major hard disk and semiconductor producers; automobile sectors
- Impacts included:
 - 50% increase in global price of hard disk drives.
 - Flooding affected over 500,000 small businesses.
 - Over 2M job losses (*UNESCAP, 2013*).

Factory owners and managers and the communities surrounding them face an increasing level of uncertainty as they deal with climate disruption and, equally challenging, the haphazard planning and political-social context as these communities grow. In an attempt to reduce uncertainty and maintain some level of control, the business, community, and local government sectors all seek to address the same problems, but with varying methods and often conflicting results. For example, reduced water levels in a local river will drive a factory and a community to take action, but they may end up working in isolation and at cross-purposes. To meet these challenges effectively, the sectors must work together, understand their shared challenges and combine resources to address them.

Engaging private sector supply-chain businesses in building resilience to environmental hazards.

There have been many calls for greater involvement of the private sector in disaster risk reduction,^{xiv} but few projects have assessed the role of the private sector in building resilience to either acute shocks or chronic stresses; and, how these activities have led to a reduction in disaster risk and/or more sustainable, equitable and resilient development outcomes. To date, studies of public-private partnerships (PPPs) have predominantly focused on post-disaster resource mobilization, such as the difference between Walmart and the U.S. government response to Hurricane Katrina.^{xv} Furthermore, recovery efforts have focused on restoring pre-disaster business conditions as quickly as possible, rather than making risk-informed decisions to build long-term resilience to environmental hazards, and thus achieve the “resilience dividend” articulated by Rockefeller Foundation President Dr. Judith Rodin.^{xvi}

The concept of resilience, its importance, and the practical measures to address it are just starting to be understood by global brands and other businesses along the supply chain. Good practice risk management models now include climate-related risks, but still need to take into account other shocks and stresses, as well as the needs of the source communities. The risk of instability in the supply chain; a motivation to be responsible corporate citizens^{xvii}; and the difficulty of certain industries (i.e. pharmaceuticals) to relocate, are all drivers that can help brands embrace the need to take a leadership role in building community resilience. However, local business owners and senior managers do not have enough knowledge of resilience-building; they tend to see it as an extra cost, rather than as an investment. Similarly, local and provincial governments are increasingly focusing on resilience, but often don’t know where to start.^{xviii} They are wary to engage in long-term inclusive planning processes and are not sure how to engage the private sector.

To be truly transformational, resilience-building needs to be mainstreamed throughout the business concept, structure and processes, and must include partnering with local leaders to take into consideration community resilience. The ISC team approach to actualizing this will add value to earlier and ongoing work on resilience supported by the Rockefeller Foundation and USAID, particularly the Climate Resilient Cities Framework^{xix} and the 100 Resilient Cities Project.^{xx} These efforts recognize the importance of addressing urgent challenges while taking a long-term and systems perspective; engaging multiple stakeholders operating at different scales in joint problem definition, project implementation, and learning; fostering innovation through a combination of measures; demonstrating the validity of resilience thinking and practice; and creating expertise and leadership at the local level. This work further emphasizes the role of businesses as agents of change because they are capable of deliberation and strategic choice in the face of new information and behave in ways that reflect their location and structure within society.^{xxi} The Climate Resilient

Cities Framework offers an appropriate theoretical basis for our project design for exploring private sector motivation and capacity on building resilience to environmental hazards. By bringing in private sector businesses as key stakeholders, our project will address an important aspect of resilience building that has not been sufficiently considered to date.

Our team's central innovation is recognizing business leaders as key stakeholders in contributing to building urban resilience. Through our EHS⁺ Network, ISC has successfully engaged the business sector to strengthen environment, health and safety compliance with the result of meeting corporate needs, advancing CSR goals *and* improving the lives of factory workers. But we have not yet extended our work with the business sector into communities. We know that tapping our trusted corporate partners' expertise and knowledge to address resilience challenges in communities is vital and will be transformational – just as it was in building EHS compliance inside factories. This project will help us make the leap from factories to communities utilizing the business sector as the primary entry point.

Local communities provide valuable resources to the business sector: customer base, infrastructure, workforce, essential supplies, and social license to operate. Their participation, buy-in, and empowerment are key to achieving resilience. Business engagement can bring what many vulnerable communities are missing: expertise in risk management. The business and public sectors do not view risk with the same lens – risk can often create business opportunities or minimize costs in the short run, particularly for SMEs operating on very thin profit margins, even as it carries societal cost. Thus, government and the private sectors must jointly conduct risk assessment and resilience planning, with active community involvement, to identify shared risks, mutual interests and priorities for investment. Achieving proper alignment of community development and business sustainability interests is key to successful resilience partnerships.^{xxii}

The goal of the project is to build the resilience of manufacturing-dependent communities by helping factories and community stakeholders work together to understand and address their shared economic, environmental, and social resilience challenges. Through integrating resilience into factory management, production, and factory engagement with surrounding communities and cities, the project will achieve these outcomes: 1) a more disaster-resilient supply chain benefiting business continuity, profitability, and sustainability; 2) increased safety and resilience of the workforce to environmental hazards; and 3) enhanced socio-economic and environmental resilience of the surrounding urban communities.

Theory of Change & Impact Pathway

Manufacturing is the economic engine of Asia, but the prevailing “business as usual” approach is not sustainable. Increasingly complex social and environmental factors, a steady uptick in climate-driven shocks and stresses, poor mobilization of collective resources, vulnerable infrastructure and weak systems – all portend mounting risks to private sector enterprises and the communities in which they operate. The private sector could bring substantial resources to bear to tackle these challenges and could apply pressure on governments to prioritize public investments, but its role in addressing broader community resilience is poorly understood. This issue is not explicit in emerging frameworks for climate resilient development, such as the Rockefeller Foundation's Climate Resilient Cities Framework.^{xxiii}

Our vision for the GRP is to address this gap and help set the public and private sectors on a path toward collaboration, innovation, sharing of knowledge and best practices, and continuous improvement in managing shared vulnerabilities to shocks and stresses.

Our Ten-Year Vision

Our project is designed to advance a long-term transformation in the way factories and communities work together to address natural resource management, infrastructure, and social systems, in order to reduce shared vulnerabilities to environmental hazards and build more resilient supply chains and source communities. This transformation cannot happen until factories and communities recognize their symbiotic relationship with regard to climate driven shocks and stresses. Business owners must recognize that engaging the wider community on resilience is critical to their financial and operational stability, and to realizing new strategic advantages. Communities must see factories as allies not just in economic development and job creation, but in development writ large – infrastructure, human/social services, and natural resource management. In this paradigm, factory participation in community planning and project implementation will be routine and mechanisms to facilitate these interactions will be widespread.

External stakeholders will play critical roles in driving this model. Brands that source products from Asia will incorporate resilience considerations into their supply chain management strategies (setting standards, benchmarking supplier performance, certifying suppliers with good resilience development practices). Countries will enforce national

policy frameworks that incentivize public-private partnership on resilient development at subnational scale. ISC's EHS⁺ Centers and their partner institutions will be equipped to serve as platforms for driving continuous improvement – documenting a strong business case, disseminating best practices, enabling data-driven business investments and policymaking, equipping leaders and practitioners with relevant skills, and facilitating replication and scale up of best-in-class practices across industries (horizontally) and within each supply chain (vertically).

Pathway to Impact

ISC's EHS⁺ Network has already demonstrated that the right balance of capacity building, institutional development, and stakeholder mobilization can transform the way the manufacturing sector tackles sustainability issues. ISC – and its public and private sector partners – work directly with leading global brands like GE, Walmart and Apple to drive positive change in the global supply chain. The EHS⁺ Centers were established to develop a business case for investing in that change, and to equip supply chain managers with the implementation skills they need. Stakeholders from all sectors – government, business, civil, academic and nonprofit – have contributed their unique perspectives and resources to the Network platform. The end result is tens of thousands of managers trained, a growing network of viable EHS⁺ Centers across Asia, and meaningful improvements in EHS, energy, and carbon management practices.

The EHS⁺ model itself drew on ISC's broader, proven approach to sustainable community development – hallmarks of which include identifying champions from all walks of life, equipping them with the skills they need to lead and succeed together, and building sustainable local platforms for driving continuous improvement. The same conditions now apply in the area of community resilience. A few leading global brands with resources and leverage are already taking an interest in the factory-community nexus. Factories and communities are increasingly aware of resilience as a front line priority, but don't yet recognize each other as natural allies in tackling the problem. Even if they did, few if any programs exist to help them see what's possible, leverage their collective strength, and address gaps in their capacity. Our program is explicitly designed to fill that void – to catalyze the emergence of a critical mass of cross-sector commitment and expertise that will help public and private sectors join forces to build stronger, healthier, more resilient communities. Given the relevance and potential for adaptation of our program's learning across environmental hazards and business sectors, the results can be replicated and scaled within Asia and globally.

GRC Stage III – Laying the Foundation

To achieve our long-term vision, we must start with a proven, compelling proof of concept. Business leaders invest time and money based on persuasive arguments about how those investments will strengthen or safeguard company performance. Government officials won't engage the private sector unless they believe it's willing and able to address broader community objectives. Stakeholders from all backgrounds need to understand what's possible: *why* they share a common cause, *how* they can leverage their collective strength, and *what* they can accomplish when they do. And local institutions must have the motivation and capacity to nurture the growth of PPPs dedicated to climate resilient development.

ISC's team has identified three strategic countries in the region to serve as testing grounds: Bangladesh, India and Thailand. Over the next two years, the team will work in these countries to investigate the best strategies for PPPs in the resilience space, and lay the groundwork for a rapid scale-up of such partnerships across the region. We will identify fertile opportunities, help stakeholders engage, develop, and document a persuasive business case, and build institutional capacity. This will set the stage for a broad scale-up of PPPs working on climate resilient development. The program will:

- Demonstrate how the public and private sectors can collaborate successfully to improve their collective resilience to climate-related shocks and stresses. By the end of Stage III, two PPPs in each target country will develop plans for managing priority resilience challenges.
- Document and articulate a business case for private sector involvement in strengthening supply chain and community resilience. The team will produce a report documenting best practices in PPPs, and identify effective channels to disseminate this information (e.g. industry associations, policymakers, chambers of commerce, associations of public officials).
- Develop institutional capacity to support scaling of best practices across the region. Illustrative examples may include training programs, project models, tools and platforms that will support factories/communities in expanding and scaling early successes.

Success in these areas will attract attention, expertise, funding, and policy changes – a critical mass of interest/investment that will galvanize collaboration between the manufacturing sector and the public sector to advance climate resilient and gender-responsive development practices.

The team will need to resolve a number of questions during the Solution Statement development phase to inform and flesh out our theory of change; particularly how best to narrow the scope of investigation to produce the greatest possible impact for the least possible cost while ensuring the high potential for replicability. For example, the range of topics that relate to climate resilient development is vast. Given the available time and resources, it seems prudent to narrow our focus to a topic that is important across the region, impacts the greatest number of stakeholders, and offers clear opportunities to achieve concrete results. A likely candidate topic would be water availability and management, and water-related hazards. Industrialization and urbanization tend to concentrate around water resources – such as river systems, lakes, and coastal areas. Access to water is a basic need/right for citizens, and many industries rely on water intensive manufacturing processes. Water is also the front line of climate resilience. Water resources are highly susceptible to long-term climate stresses (droughts and other changes in precipitation patterns) and short-term shocks (seasonal flooding, tropical cyclones). Access to and control over water resources as well as vulnerability to water-related hazards are also gendered due to patriarchal norms embedded in formal and customary institutions and gendered roles.

In the same vein, dozens of industrial sectors could possibly be considered for engagement – from heavy (cement, steel) to medium (chemicals, pulp/paper) to light (readymade garments, light consumer goods). While further investigation is required, several industries may be particularly conducive for engagement, especially water-intensive industries with demonstrated brand/buyer interest in resilience – such as garment/fabric mills, chemical and pharmaceutical, automotive, and electronics. Regardless of sector, the program will likely seek out mid- to upper-sized factories that are small enough to engage effectively, but large enough to have relative stability, significant footprints, access to discretionary capital, and direct relationships with brands.

Stakeholder Engagement

This program will investigate the power of bringing together stakeholders from sectors traditionally quite siloed from each other. For this reason, where and who the program engages will be of critical importance.

Pending confirmation during Solution Statement development, the team's assumption at present is that Tier 2 cities and communities (in areas at risk from water-related hazards (located along rivers, lakes, coasts, deltas) will best suit the objectives of the program. We will need to identify locations that have some existing, related or complementary activity that will permit rapid engagement on GRC activities. Because the target countries tend to have weak governance structures, it will also be desirable in this early phase to identify locations with enough political will and capacity to provide traction for GRC activities.

In fact, *motivation* and *authority* are often greater preconditions of success for public-private partnerships than *capacity*. Capacity can be obtained or developed. Motivation can be inspired – a key focus of this program will be to investigate and document how best to motivate all stakeholders to engage – but if key leaders remain unmoved or uninterested, it becomes impossible to proceed with projects requiring their support. For this reason, Stage III will prioritize engagement with leaders who hold sway over strategic priorities and capital investments. In the private sector, this will most often mean **business owners and senior executives**. In the public sector, this will often mean **municipal/provincial officials of sufficient rank**.

Assuming sufficient motivation and authority exists among these groups, another significant success factor will involve the presence or potential for **community-based organizations and citizen stakeholders** to engage effectively in project activities. We will work to ensure meaningful participation of **women from all sectors**. There are some, albeit few, women business owners and managers, as well as government officials. Our approach will consider women collectively as a stakeholder group. Mobilizing buy-in, resources, and contributions from all quarters of a community will best ensure success for the planning and implementation of resilience projects.

Lastly, the ISC team will also work to identify buyers and brands in the focal industries that have demonstrated a commitment to working with suppliers on corporate sustainability and community engagement projects with a resilience focus. Brands/buyers have commercial leverage with suppliers difficult to duplicate through other means – they can secure the buy-in and participation of factories far more easily than any other stakeholder. Brand participation may therefore be crucial to identifying and cultivating the participation of factories in the program. Brands can also

bring a broader perspective, and sometimes, additional resources, to program implementation. The team has already identified a short list of brands that may be predisposed to joining the program in some capacity.

DRAFT Logframe

Goal: To build more resilient manufacturing communities by helping factories and community stakeholders work together to understand and address shared economic, environmental and social resilience challenges.

Illustrative Activities	Outputs	Short-term Outcomes	Long-term Outcomes
<ul style="list-style-type: none"> Finalize geography/sector focus based on field work. Brand and other stakeholder outreach: identifying potential champions and entry points. Mapping vulnerable groups (gender, ethnicity, caste, migrant, etc.) in supply chain communities. Multi-stakeholder engagement: relationship building, priority setting, mobilization, planning. Training: on project planning, resilience best practices, implementation, finance, evaluation. Development of project/finance plans. Evaluation and documentation. 	<ul style="list-style-type: none"> # champions and partners identified # resilience courses developed and tested for key audiences # people and/or organizations trained # case studies developed demonstrating factors and conditions necessary for effective resilience PPPs # tools and methods developed to identify shared risks and agree on joint mitigation measures # of inclusive multi-stakeholder processes conducted that identify shared risk and joint mitigation measures # of joint project or finance plans developed 	<ul style="list-style-type: none"> A clear and compelling business case articulated for reducing risk and enhancing resilience through PPPs. A network of skilled champions from the business sector who understand the business case, are motivated to take action, and encourage others to do so. Local government willing and capable of working with businesses to identify shared risks and mutually beneficial interventions. Organizational partnerships and platforms (EHS⁺ Network, Chambers of Commerce, Business Associations, Local Government Associations) to disseminate information, provide training, and support broader action of key stakeholders. 	<ul style="list-style-type: none"> The supply chain is more resilient, profitable, and sustainable. Urban communities where supply chain businesses are located are more economically and environmentally resilient. Brands incorporate resilience into supply chain management strategies and practices. The business case for including community resilience in risk reduction and CSR strategies is widely accepted and applied among suppliers. The workforce is safer and more resilient to environmental and economic shocks and stresses. Effective PPPs to address subnational resilient development are commonplace. Multi-stakeholder resilience planning at the subnational level is mainstreamed into local government policies and practices. EHS⁺ Centers and partner institutions are recognized for state of the art resilience methods, practices, and learning.

Environmental & Social Safeguards

ISC's mission is to help create a more sustainable future shaped and shared by all. ISC's current strategic focus is to address the source and impacts of climate change in the U.S. and Asia by working with cities and factories. Within our mission, ISC is committed to "do no harm" by carefully assessing and mitigating any potential unintended negative impacts of our work on people or the environment.

ISC strives to include the full participation of all stakeholders in our projects in order to consider everyone's needs and concerns. Effective participation requires appropriate gender representation and methods to ensure the voices of both women and men are heard and valued. All ISC projects focus on local ownership and civil society involvement to ensure broad-based community support and sustainability.

In this project, the ISC team will be bringing together various stakeholders in communities from the private, public, and civil sectors to consider their shared risks to environmental hazards and determine ways they can work together to address issues in mutually beneficial ways. The team will structure these multi-stakeholder processes for inclusive, collaborative, and culturally respectful engagement of all participants regardless of ethnic group, social status or

gender. Therefore, the project is essentially designed to identify areas of shared benefit and avoid harmful impacts on any one group or segment of the community. However, should it be determined that there is a potential negative gender, social, or environmental impact, ISC will take appropriate measures to minimize or eliminate the problem and will adapt the project to mitigate future negative impacts from similar activities.

This project's main activities involve the development of skills and knowledge and sharing of information and should not have negative impacts on the environment. As part of the project planning process and ongoing monitoring and evaluation activities, ISC's team will identify potential project-supported activities that could have negative environmental impacts and ensure that the activity is in full compliance with environmental standards and procedures. Potential negative impacts will be assessed, identified and managed. ISC will also establish a system for proper disposition of the procured office equipment at the end of its useful life in a manner consistent with best management practices.

Risk Matrix & Mitigation

Risks	Impact on the Project	Mitigation Measures
In some communities, the labor force is comprised primarily of migrant laborers with few deep or lasting connections to the area. How invested would a migrant labor force be in community resilience efforts? Is the relationship between migrant labor and native community members antagonistic at times? This is not an issue in some areas, but very much so in others. Probability of risk: Medium	Medium In cases where migrant laborers comprise a substantial percentage of the workforce, there could be additional challenges to engaging workers in community resilience efforts.	<ul style="list-style-type: none"> The team will include assessment of migrant labor and related factors in evaluations of potential project sites. The program already hinges on facilitating nontraditional dialogue between stakeholder groups. The team must investigate how best to do the same between migrant workers and permanent residents.
In the target countries, local/provincial government structures and capacities are often quite weak. Awareness of resilience challenges and political will/ability to address them may therefore be insufficient to achieve results. Probability of risk: Medium	High In communities with weak governance structures frequently dominated by one or two key leaders, if those leaders are not motivated or equipped for change, projects can be very time consuming or even impossible.	<ul style="list-style-type: none"> The project partners have extensive experience working around the world in communities with similarly weak governance structures. The best possible strategy for mitigating this risk is up front during the site identification phase. The team will endeavor to choose sites with 1) leaders with demonstrated willingness to engage, and 2) some existing, ongoing, complementary activity that will provide the GRP with some readymade momentum. Strong private sector support can offset or even override weak political capacity, i.e. if the local factory owner is enthusiastic, government will often go along.
Time needed to establish relationships and alignment with businesses and communities may take longer than Stage III timeframe. Probability of risk: Low	Medium	<ul style="list-style-type: none"> The ISC team has worked in the target countries for years, with established relationships and staff presence. Choosing project sites with existing relationships, or existing motivation to pursue change, will assist in managing this risk.
Regional and global external factors (e.g. political instability, economic trends) can reduce the interest, ability, or priority of	Low Some of the countries, such as Bangladesh and Thailand, have	<ul style="list-style-type: none"> Build flexibility into program implementation to address changing conditions as needed. Develop risk and contingency plans. For example: for different levels of instability, plans for how staff can

<p>stakeholders to participate in the program.</p> <p>Probability of risk: Medium</p>	<p>seen some political instability in recent years. While such instability can affect project activity, it only very rarely prevents it.</p>	<p>continue to work effectively, specify safe meeting sites, communication strategies, etc.</p>
<p>Communities are comprised of social groups with power asymmetry and conflicts of interest; voices of women and other marginalized groups in particular may not be taken into account.</p> <p>Probability of risk: High</p>	<p>Medium</p> <p>Voices of women and other marginalized groups are not included in the program.</p>	<ul style="list-style-type: none"> • We will ensure local authorities and communities are informed well in advance about the purpose, benefits and requirements for participation (women, ethnic minorities, etc.). • We will consider women and other marginalized groups as independent stakeholders and ensure that the time, space and location of discussions or interviews are convenient for them to participate. Additional coaching support will be provided to help them prepare if needed and appropriate. We will support the formation of women's collectivity and promote women's leadership. • The team will conduct a mapping of vulnerable groups and gender intersectionality in order to identify our prioritized issues and targeted groups.

Measuring Resilience

Monitoring & Evaluation

Our approach to monitoring and evaluation (M&E) is designed to serve both a programmatic and an evaluative function, and will facilitate our ability to identify and respond to emerging opportunities or challenges. Guided by a results framework, finalized during the Solution Statement development phase, that logically ties-in program inputs and activities with results at the project and strategic levels, we will collect relevant data using mixed methodologies to collect baseline information such as surveys, focus groups, key-informant interviews, and document analysis. We will review findings on a routine basis, make course corrections as needed, and present results to different audiences. Also during this phase, we will finalize the logframe and identify indicators in the Solution Implementation Plan. Our M&E approach will be culturally competent and gender and conflict sensitive to ensure that the methods we use and the manner we analyze data are grounded in existing realities in the communities in which we work.

During field investigations in Solution Statement development phase, ISC's team will begin to more accurately determine the level of awareness and understanding among stakeholders of the need for resilience and how to build it, and will map vulnerable groups in the supply chain communities. We will also be able to identify champions and entry points. This process will be completed in the inception phase of Stage III.

Value for Money

The ISC team is designing a project that represents an excellent value for money based on foundational work we are already implementing in Bangladesh, India, China and the United States, and a deep understanding and analysis of broader trends by SEI that identifies strategic gaps. Through the Solution Statement development phase, we will continue to identify the best ways to leverage existing relationships with brands, Tier 1 suppliers, and partner institutions in order to use their resources to get the greatest impact, and adapt our training approaches and risk analysis methods to the particular contexts and stakeholders we map through field visits.

Economy (Inputs)

The main inputs for this project are human resources – the time required to develop relationships, conduct field work, identify and document case studies, develop tools and training curriculum, conduct training and facilitate multi-stakeholder processes in communities. Related inputs will primarily be travel and direct costs related to meetings and project activities. The inputs of our partners – their knowledge, tools and approaches, relationships and funding – will considerably expand what our team is able to accomplish. Our knowledge of the landscape, current relationships and breadth of partnerships will allow us to have the right people in the right place at the right time to maximize the value of all project inputs.

Efficiency (Outputs)

Given the relationships ISC already has with brands, local owners and factory managers, and key institutions like universities and chambers of commerce, we will be able to identify potential champions and entry points in an efficient manner. We anticipate collaborating with brands interested in being leaders in figuring out how to address resilience, which will help us to quickly identify case studies and locations optimal for testing tools and methods developed. Our EHS⁺ Center university team-members already have experience developing and delivering training, which will facilitate an efficient process for putting together the resilience curriculum. Our experience facilitating multi-stakeholder mapping, assessment and planning processes for over 20 years provides us the ability to design processes based on best practice while uniquely suited to the local context. All of these team assets ensure that we are able to analyze and mitigate risks to the project in an efficient way.

Effectiveness (Outcomes)

Our theory of change is designed to maximize key leverage points – working with and through brands and their key suppliers – to ensure the attention, interest and participation of local stakeholders in collaborative risk reduction and resilience building with local communities. Furthermore, we anticipate our efforts leading to direct private and public sector investment in joint community resilience efforts. Finally, we intend to build viable organizational partnerships and platforms that will continue to provide support and training on these topics catalyzing further action.

i UNESCAP, 2013

ii World Bank, <http://data.worldbank.org/indicator/SL.IND.EMPL.FE.ZS/countries>

iii Kabeer & Mahmud, 2004

iv (Institute for Human Rights and Business, 2010). <http://column.global-labour-university.org/2014/04/workers-unrest-in-automobile-plants-in.html>

v UNESCAP, 2015. Resilient Business for Resilient Nations and Communities. UNESCAP, Bangkok, Thailand.

vi Baker, Judy L. (2012) "Climate Change, Disaster Risk and the Urban Poor: Cities Building Resilience for a Changing World" <http://elibrary.worldbank.org/doi/abs/10.1596/978-0-8213-8845-7>

vii UNESCAP and UNISDR, 2012

viii <http://index.gain.org/>

ix UNESCAP, 2015

x UNESCAP, 2014. Engaging Asia-Pacific Businesses in Disaster Risk Management, Inputs to HFA-2, Key Area 7. UNESCAP, Bangkok, Thailand.

xi UNESCAP, 2015

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