



# **BIO Business Continuity Plan Toolkit Financial Institutions**

Business continuity planning is a component of building business resilience in normal times and is especially critical in cases of large disasters. For businesses to survive, they must be able to adapt their operations to the new environment.

The Belgian Investment Company for Developing Countries S.A. (BIO) developed this toolkit<sup>1</sup> to support Financial Institutions in developing their own business continuity plan while considering the diverse risks and following international best practice and guidance. This toolkit can serve as a guide for clients or future clients to develop their own Covid-19 prevention and response measures and plan(s). In the absence of such standalone plan, clients may also fill the toolkit and sign it as a company document. The toolkit provides guidance on several topics which may not be relevant as risks and challenges vary among countries, sectors and activities. In this case the absence of measures can be justified in writing.

This document does not constitute medical advice and is not a substitute for professional advice from international or national public health organisations, health authorities or governments. This guidance document is intentionally short and should be read in parallel with BIO Covid-19 ESG Guidance note for employers where resources are provided to public links for employers willing to access more detailed information. This document cannot cover all circumstances and companies, as risks and challenges vary among sectors and activities.

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<sup>1</sup> This toolkit partly derives from UNDRR: <https://www.undrr.org/publication/Covid-19-small-business-continuity-and-recovery-planning-toolkit>

## 1. Crisis Management

- ❖ Appoint a multidisciplinary Covid-19 crisis management team with clear functions for each member.
- ❖ Consider having a member of the board of directors as part of this team
- ❖ Establish frequent reporting on critical activities

**Comments: please describe composition, main tasks, etc.:**

## 2. Employee Health

Companies should look to minimise occupational health and safety risks to employees regarding their activities (duty to care). In the context of Covid-19 pandemic, adequate measures are required to prevent and respond to infections thereby minimising business disruption risk and taking part in the global effort to limit contagion.

### ❖ **Reduce workplace occupation**

- Implement flexible worksites (e.g. working from home) and flexible working hours (e.g. working in staggered shifts to reduce the number of employees at the same time)
- Use minimum staffing requirements to support only essential services or products
- Organise virtual meetings (e.g. using teleconference or video) and postpone or carefully plan in-person meetings

### ❖ **Introduce physical distancing strategies:**

- Increasing physical space between employees at the workplace by rearranging your workplace layout (e.g. using less checkout counters or moving computer workstations to be further apart)
- Increasing physical space between employees and customers (e.g. installing glass partitions in front of cashiers, or using tape on the ground to indicate space between customers waiting in line)
- Encourage contactless delivery at designated points and contactless electronic payment options to avoid clients having to handle cash, enter card PIN, or sign receipts.

### ❖ **Minimise in-country and international travel**, consult official websites and plan essential travel carefully, taking adequate prevention and response measures;

### ❖ **Keep workplaces clean and hygienic and provide personal protective equipment**

- Have employees practice proper hygiene: washing hands; coughing and sneezing into their elbow or tissues
- Put sanitising hand rub dispensers in prominent places around the workplace and provide access to places where staff, contractors, and customers can wash their hands with soap and water.
- Regularly clean and disinfect surfaces that are often touched, such as desks, doorknobs, toilets, telephones and keyboards.
- Provide materials to support basic infection prevention measures. Ensure that face masks and/or paper tissues are available for those who develop a runny nose or cough at work – along with closed bins for hygienic disposal.

- ❖ **Request to stay home for a pre-determined period** when returning from a highly infected area, after contact with a Covid-19 infected person, or if an employee has Covid-19 symptoms (even minor);
- ❖ **Minimise exposure of vulnerable people:** workers that are older and those with medical conditions (such as diabetes and a weak immune system).
- ❖ **In the event of confirmed cases in your company,** prepare for enforced shutdown of sites at short notice, ensure deep cleaning capacity, isolation of workplaces, ensure access to adequate health services.

**What measures did you take?**

**Have there been any positive cases amongst staff and what is their current health status? (N.B.: please report any future case to BIO under the serious incident reporting contractual obligations)**

### 3. Communication with your employees and customers

- ❖ **Provide public health materials on Covid-19** that include information on physical / social distancing, hygiene practices such as proper hand washing, coughing and sneezing practices, and symptoms of Covid-19.
- ❖ **Inform and train your staff on what your Covid-19 response plans are** once you have completed them (e.g. work from home and sick-leave policies, changes in the workplace to account for social / physical distancing etc).
- ❖ **Communicate what employees should do and who to contact if they believe they may have been exposed to Covid-19.** Brief your employees and customers that, if the coronavirus starts spreading in your community, anyone with even a mild cough or fever needs to stay at home.
- ❖ **Maintain the privacy of employees** with confirmed or suspected Covid-19 infection.

**How do you ensure regular communication to all stakeholders?**

## 4. Labour conditions and retrenchment

There can be many consequences of the Covid-19 crisis on labour conditions. Employees may be more absent from your business due to increases in sickness, the need to care of sick family members, people with a disability who cannot get to work due to reduced public transport options, and those who must stay home to watch their children if childcare or schools are closing. Exceptional day or night working hours can be necessary in essential sectors (e.g. healthcare, food, energy) or for companies where a large amount of workforce is on sick leave.

- ❖ Consider adapting labour and compensation policies to cover these extenuating circumstances. These include but are not limited to sick leave, extended paid leave, leave for caretaking responsibilities, contractor payment terms, flexible working and overtime compensation.
- ❖ Ensure decisions are equitable and fair. Communicate to avoid fear, resentment or protests amongst workers.
- ❖ Ensure that measures comply with labour law and Covid-19 amendments or requirements from authorities.

Businesses that are facing significantly reduced revenues, should identify cost reduction and job protection measures first before retrenchment is considered. Retrenchment results in loss of skills and experience valuable to your company and may result in a slower business recovery. If retrenchment is unavoidable, a responsible retrenchment plan should be developed in a way that achieves the commercial aims of the process while minimising the impact of job losses on workers (including casual workers and contract workers) and communities.

- ❖ Reduce number of job losses (e.g. redeploy workers to other areas, reduce working hours and salaries (job sharing arrangements), temporary layoffs or combine paid and unpaid leave, rotate furloughs);
- ❖ Reduce impact on individuals, groups and communities, e.g. connecting workers to other temporary jobs;
- ❖ Consult workers and unions on the plan and integrate feedback in line with national regulations;
- ❖ Develop and document fair and transparent selection criteria that avoid discrimination (selection criteria involve one or a combination of the following work-related factors: length of service, performance record, disciplinary record, absence record, skills, knowledge).
- ❖ Develop or communicate the existence of an appeal and grievance procedure
- ❖ Communicate transparently about the process to workers, in line with national regulations and collective agreements signed by the company.

**How did you adapt your labour or compensation practices?**

**Have you implemented job protection measures? Even so, do you foresee any retrenchment related to Covid-19? If so, how many workers will be affected? Please share your job protection measures or retrenchment plan.**

## 5. Critical business functions

### ❖ Internal operational set-up

- Plan how to operate with absent employees and/or remote work e.g. identify back-up personnel, cross-trained employees
- Succession planning for key people/ leadership continuity
- Opportunities to experience new operational set-up
- IT infrastructure / digital: exploration of leveraging automation and digitalisation opportunities, increase in cyber security due to increased remote working
- Other protocols

### ❖ Clients

- Analyse the impact of Covid-19 on clients and capacity of repayment (short-, medium-, and long-term)
- Track and quantify impact of cancelled or deferred payments
- Promote the use of mobile payments and educate customers in the use of digital channels.
- Contact customers and communicate modus operandi for continuity of business and their response

### ❖ Supply Chain

- Identify critical supply chain risk
- Identify alternatives and develop supply contingency plan
- Optimise trade & payment terms and negotiations in the context of Covid-19 with suppliers e.g. defer payments

### ❖ Government and Regulators Intervention

- Consider the impact of macro and sector-specific government intervention on the operations or main component of the value chain
- Proactively communicate with regulators and local authorities, as well as associations such as the National Microfinance Association, or other relevant ones

**What has been done to evaluate, prepare and react to the operational impact arising from the outbreak of Covid-19?**

## 6. Financial Impact:

The outbreak of Covid-19 will affect cash flows of companies and might result in a liquidity crisis. To **limit liquidity risks**, here are a set of alternative actions that could be considered:

- ❖ Stress-testing cash flow projections/liquidity per month
- ❖ Assess the impact of additional costs arising due to the outbreak of Covid-19
- ❖ Ensure that the balance sheet is robust and understand the quantum and runway of liquidity
- ❖ Closely monitor key financials and liquidity metrics, consider stress testing KPIs (i.e. NPLs, solvency levels, profitability, etc.)
- ❖ Establish the need for liquidity facilities (working capital)
- ❖ Cancel/delay all unnecessary projects and discretionary spending
- ❖ Review supply/lease/rental agreements for their ability to invoke relief clauses & renegotiate
- ❖ Institute moratorium on capex spending

**What measures did you take to avoid liquidity issues?**

- ❖ Assess/establish the ability to draw down on available credit lines
- ❖ Request a waiver of covenants
- ❖ Shareholder funding (new equity, shareholder loans, etc.)
- ❖ Explore payment holidays from lenders

**Describe avenues for securing funding from (existing/future) investors, banks and lenders:**

**Financial covenants: details on existing or expected covenants in breach vs. requested thresholds (name and definitions of covenants, current level vs. requirements, actions taken to correct the current situation)**

Signatures

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CFO

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CEO