

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Philippines	Project Title:	Emergency Assistance for Relief and Recovery from Typhoon Yolanda
Lending/Financing Modality:	Emergency Assistance Loan	Department/ Division:	Southeast Asia Department/ Public Management, Financial Sector and Trade Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Targeting classification: Targeted intervention—geographic
A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy
<p>On 8 November 2013, Typhoon Yolanda (international name: Haiyan) made landfall six times over several provinces of the Visayas and Palawan regions. The devastation caused by the typhoon is unprecedented. On 29 November, the National Disaster Risk Reduction and Management Council (NDRRMC) of the Philippines said that 5,598 people had been reported dead, 26,136 had been injured, and 1,759 remained missing. More than 10 million people (over 2.3 million families) were affected in 44 provinces, including 574 municipalities and 57 cities in 9 of the 17 regions of the country. The damage was worst in Eastern Visayas.—especially in the provinces of Leyte and Samar, which have higher poverty incidences (37.2% and respectively) than the national average (22.3%).</p> <p>In 2012, the Philippines reported a per capita gross domestic product of \$2,613. Its economy grew by an average of 4.8% from 2001 to 2010, and growth has accelerated since 2011, reaching 6.8% in 2012. Despite this, poverty remains a continuing and significant challenge, with a quarter of the population considered poor. The poverty rate was 27.9% in 2012 (down from 28.6% in 2009), which is above prevailing rates in neighboring countries in Southeast Asia. Geographically, the poor remain concentrated in the southern Philippines and in rural areas. In 2012, the poverty rate in the Visayas (the region most affected by the typhoon) and Mindanao regions was double that in Luzon, with two-thirds of the poor living in rural areas.</p> <p>The country partnership strategy, 2011–2016^a identifies “reduced environmental degradation and vulnerability to climate change and disasters” as a key support area in the Philippines. The interim response strategy of the Asian Development Bank (ADB) to Typhoon Yolanda contributes to this key support area and is fully in line with the country partnership strategy and the Philippine Development Plan, 2011–2016.^b</p>
B. Results from the Poverty and Social Analysis during PPTA or Due Diligence
<p>1. Key poverty and social issues. The destruction left in the typhoon’s path has not yet been fully assessed. However, the NDRRMC has provided an initial estimate of costs of nearly \$281 million, including infrastructure and agricultural damages (irrigation facilities and other agricultural infrastructure). This estimate, which does not include damage to private property, is likely to rise. The NDRRMC has reported that over 1,100,000 houses have been damaged, with as many as half of them being irreparable. The damage may lower the growth rate in gross domestic product (GDP) between 0.3 and 0.8 percentage points in 2013 and by 1.0 percentage point in 2014. This in spite of the fact that Eastern Visayas contributes 12.5% of the country’s GDP.</p> <p>Immediate poverty impact. The poverty incidence in the affected regions of Western, Central, and Eastern Visayas will substantially increase because of the damage to livelihoods caused by Typhoon Yolanda. ADB estimates that the poverty rates will increase from 31% to 37% in Western Visayas, 35% to 42% in Central Visayas, and from 41% to 56% in Eastern Visayas. ADB staff simulations estimate that the typhoon may have thrown an additional 24%, or some 1.5 million people, of the population of these three regions into poverty. The poverty gap, the income shortfall of the poor from the poverty line, may increase by 3 percentage points in Western and Central Visayas, and by 8.2 percentage points in Eastern Visayas. The immediate implication of these figures is that the number of poor will increase dramatically, and it will take longer for them to recover to pre-disaster real income levels.</p> <p>By province, the impact of the typhoon on poverty is even more dramatic. Leyte may likely see the number of poor increase from some 623,000 to 897,000, or a 44% increase. This would bring the poverty incidence in Leyte from 34% to 49%. Estimates indicate the possibility of a 48% increase in the number of poor in Capiz and a 24% increase in Cebu (mostly in the north). These affected areas are largely dependent on agriculture, making the poverty impact greater there.</p>

^a Asian Development Bank. 2011. *Country Partnership Strategy: Philippines, 2011–2016*. Manila.

^b Republic of the Philippines. 2011. *Philippine Development Plan, 2011-2016*. Manila.

Agriculture and primary sector infrastructure. According to the situation analysis report No. 14 of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the typhoon has affected more than 10.9 million people with nearly 4.4 million displaced from their homes (including more than 1 million children); some 1.14 million houses were damaged.^c

About 5.4 million children have been affected, with many facing serious protection, health, and safety risks. Nearly 90% of the total displaced people are in the Eastern and Western Visayas regions. The OCHA report also stated that current estimates project that 2.5 million people require life-saving food assistance (footnote c). Farmers urgently need rice seeds to plant before the end of the planting season in mid-December. The NDRRMC estimates that the damage to crops could be \$112 million, and the damage to livestock and fisheries could be \$100 million. The NDRMC also estimates \$4.9 million worth of damage to irrigation facilities and \$27.7 million to other agricultural infrastructure.

Basic services infrastructure. OCHA reported that, as of 19 November, 942 of 2,495 health facilities in the affected area had been assessed, and 11% were found to not be functioning (footnote c). However, the health facilities in villages were largely not functioning, creating a serious gap in health care.

Transport Infrastructure. Access conditions were severely damaged although some improvement has been reported. Congestion has started to ease at the Tacloban Airport, which has recently opened to some commercial flights. The ferry service is slowly expanding but access to remote communities remains very difficult.

Employment. The agriculture sector, including all associated industries, represents more than 40% of total employment in Western and Eastern Visayas, and over 30% in Central Visayas (because Cebu is an industrial and services center). The typhoon's impact will be greater on agriculture labor and subsistence farmers (jointly representing 27% of the agriculture employment in Western Visayas and 34% in Eastern Visayas).

Social safety nets. The affected regions have previously displayed a large share of remittances in household incomes. Around 10% to 15% of household incomes are derived from remittances, indicating families in these regions may be able to draw on additional remittances to supplement incomes.

2. Beneficiaries. The main project beneficiaries are the residents of the affected communities along the typhoon's path, the business community, and citizens.

3. Impact channels. The program will assist the rehabilitation and recovery efforts of the government, with the aim of facilitating the recovery of private consumption patterns towards pre-disaster levels by 2017. This will be achieved with the implementation of the Yolanda recovery and rehabilitation plan (YRRP) that allows for (i) the rehabilitation of transport, communications, and basic services infrastructure; (ii) investments in the agricultural, livestock, and fishing industries, which the region depends on; and (iii) the provision of community infrastructure, emergency employment, and livelihood support.

4. Design features. The emergency assistance loan will be disbursed in one tranche, upon loan effectiveness. Streamlined processing will ensure immediate disbursement.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation. The design of the program has been anchored and guided by government priorities in rehabilitation and recovery. The National Economic and Development Authority (NEDA) will lead the assessment of damages and needs through the establishment of seven sector working groups that will feed its evaluation and recommendations for recovery. The government is maximizing the input from local communities and representatives in the preparation of the assessment and rehabilitation and recovery plan.

2. If civil society has a specific role in the project, summarize the actions taken to ensure their participation. Communities are instrumental in identifying rehabilitation and recovery priorities and in the delivery of relief goods and services. ADB experts and government agencies are seeking their input to improve rehabilitation and recovery.

3. Explain how the project ensures adequate participation of civil society organizations in project implementation. The preparation of the rehabilitation and recovery plan will incorporate, through NEDA working groups, the participation of stakeholders.

4. What forms of civil society organization participation is envisaged during project implementation? Indicate in each box the level of participation by marking high (H), medium (M), low (L), or not applicable (N) based on definitions in ADB's Guide to Participation.

(L) Information gathering and sharing (M) Consultation (M) Collaboration (M) Partnership

5. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?

() Yes. Describe key features, responsibilities and allocated resources (X) No. Explain why.

The current institutional framework for local governments will be used to gather and channel the constituents' participation on rehabilitation and recovery implementation.

^c United Nations Office for the Coordination of Humanitarian Affairs. 2013. *Situation Analysis Report No. 14*. Manila.

III. GENDER AND DEVELOPMENT	
Gender mainstreaming category: No gender benefits	
A. Key issues. The implementation of the YRRP will benefit equally affected men and women along the affected areas. The program design does incorporate specific gender elements through the YRRP gender-specific programs to ensure vulnerable displaced persons are provided with safe accommodation. Thus, the EAL is categorized as 'some gender elements'.	
B. Key actions. <input type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input checked="" type="checkbox"/> No action or measure	
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES	
A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
1. Key impacts. There will be no resettlement impacts.	
2. Strategy to address the impacts. Not applicable	
3. Plan or other Actions.	
<input type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix <input checked="" type="checkbox"/> No action
B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI	
1. Key impacts. There will be no impact on indigenous peoples.	
Is broad community support triggered? <input type="checkbox"/> Yes <input type="checkbox"/> No Not applicable	
2. Plan or other actions.	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
1. Relevance of the project for the country's or region's or sector's labor market. (H) unemployment (H) underemployment (NA) retrenchment (NA) core labor standards	
2. Labor market impact. Significant	
B. Affordability Not applicable	
C. Communicable Diseases and Other Social Risks	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA): (NA) Communicable diseases (NA) Human trafficking <input type="checkbox"/> Others (please specify) _____	
VI. MONITORING AND EVALUATION	
1. Targets and indicators. The expected impact is restored economic growth to the Visayas region, measured by real regional GDP in the affected areas, which is expected to recover towards pre-typhoon levels by 2017. The expected outcome is the mitigation of the adverse social impact on the poor. This will be measured by the per capita consumption (adjusted to inflation) of the poorest 50% of households in the affected areas, which is expected to recover to pre-typhoon levels by 2015. The program outputs are (i) the government's rehabilitation and reconstruction plan developed; and (ii) the national government expenditure program for 2014 met. It is expected that by the end of 2014, the government's rehabilitation and recovery plan will have been endorsed and the funding of selected components of the plan will have been implemented.	
2. Required human resources. The NEDA will lead the monitoring of the YRRP implementation.	
3. Information in PAM: Not applicable	
4. Monitoring tools: The NEDA regional GDP data and poverty data, Department of Finance reports, and the rehabilitation and recovery plan, and implementation reports.	

Source: Asian Development Bank.