

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Philippines	Project Title:	Emergency Assistance for Reconstruction and Recovery in Marawi
Lending/Financing Modality:	Emergency Assistance	Department/Division:	Southeast Asia Department Philippines Country Office

<b>I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY</b>
Poverty targeting: targeted intervention—geographic
<p><b>A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy</b>                  The Philippine Development Plan (PDP), 2017–2022 targets more inclusive growth and poverty reduction from 21.6% in 2015 to 14.0% by 2022, or by about 6 million people. The strategic focus of the Asian Development Bank (ADB) country operations business plan (COBP), 2019–2021 and the country partnership strategy, 2018–2023 is aligned with the PDP in its focus on inclusive and sustained development in all regions. The COBP supports the government’s commitment to scale-up expenditure for infrastructure and social services. The COBP aims to enhance investments in transport infrastructure, employment and education services, and regional development and local service delivery, especially in Mindanao. The proposed project will directly contribute to poverty reduction, inclusive growth, and the social development goals by reconstructing much-needed infrastructure, restoring essential services, and reviving livelihood opportunities for hundreds of thousands of people in Marawi city, Lanao del Sur, and surrounding areas.</p>
<p><b>B. Results from the Poverty and Social Analysis during PPTA or Due Diligence</b></p> <p>1. <b>Key poverty and social issues.</b> Poverty incidence in the Philippines was 21.6% in 2015, equivalent to about 22 million Filipinos living under the annual per capita poverty line of ₱21,753.<sup>1</sup> The poverty incidence in Mindanao was much higher at 36.2% in 2015, and Mindanao has the largest share of the poor population (40.0%), compared to Luzon (34.3%) and the Visayas (25.3%). Lanao del Sur is the country’s poorest province; in 2015, 71.9% of its 1.05 million people lived below the provincial annual per capita poverty threshold of ₱22,802 (₱62.47 per person per day or \$1.37). By the end of the siege in October 2017, a total 369,196 individuals were displaced and had sought shelter in evacuation centers or with relatives or other host families. The conflict severely affected the education system, disrupted the learning of more than 86,000 children and displaced 22,174 students and 1,411 teachers from Marawi city. Most of the displaced learners are enrolled in other schools in Region X and in the Autonomous Region in Muslim Mindanao, putting a major strain on the receiving schools. Livelihoods have also been disrupted. The local economy is largely based on agriculture and trade, with mostly agriculture-oriented industries. With only about one-third of workers in the formal sector, the majority are thus vulnerable informal sector workers. In an Action Against Hunger November 2017 rapid assessment survey, 100% of the respondents faced a lack of income, money, and resources. The vast majority (85%) were small business traders whose livelihoods have been severely impacted by a lack of access to markets and destruction of the value chain and relationship with previous vendors. The lack of space to conduct business is a problem, as is the destruction of roads and disruption of transport services.</p> <p>2. <b>Beneficiaries.</b> The primary beneficiaries will be more than 369,196 IDPs.<sup>2</sup> This includes an estimated 98% of the total population of Marawi city (201,785 individuals in 32,246 families in the 2015 census, projected to have increased to 211,174 by 2017).</p> <p>3. <b>Impact channels.</b> The project will address the key issues of displacement, disruption of education, and destruction of livelihoods of poor and vulnerable IDPs. It will help address immediate needs by financing the restoration of transport, water supply, health, and education services as well as public markets for the restoration of livelihoods. This tangible assistance—infrastructure, social services, and support to the local economy—will contribute to local economic development and poverty reduction and rebuilding the affected population’s confidence and resilience.</p> <p>4. <b>Other social and poverty issues.</b> Immediate humanitarian assistance and temporary shelter and learning spaces are being provided by the government, civil society organizations, and other development partners, in particular United Nations agencies. Permanent resettlement sites are planned by the housing subcommittee of the Task Force Bangon Marawi. As of the end of December 2017, about 75% of those displaced at the height of the conflict remained displaced, while 25% had returned to Marawi city. IDPs continue to experience limited access to information and limited access to basic services in return sites, particularly water and livelihood opportunities.<sup>3</sup></p> <p>5. <b>Design features.</b> The project’s strategy to address the key poverty and social issues is taking a multisector approach to reconstruction and rehabilitation, captured in the four outputs and the corresponding targets and indicators in the Design Monitoring Framework. The geographic targeting includes a focus on the new permanent resettlement sites for IDPs.</p>

<sup>1</sup> About ₱61 per person per day, or \$1.34. The average exchange rate for 2015 was \$1 = ₱45.52.

<sup>2</sup> Based on estimated IDPs from 2018. *Bangon Marawi Comprehensive Rehabilitation and Recovery Program*. Manila, and Philippines: Humanitarian Bulletin, Issue No. 10, November 2018, Official United Nations Office for the Coordination of Humanitarian Affairs. The figure for remaining IDPs is an estimate.

<sup>3</sup> UNHCR. *IDP Protection Assessment Report Issue No. 6*. 13 December 2017.



<b>3. Plan or other actions.</b> <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> No action		<input checked="" type="checkbox"/> Combined resettlement and indigenous peoples plan <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix
<b>B. Indigenous Peoples</b>		<b>Safeguard Category:</b> <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI
<p>1. <b>Key impacts.</b> The overall project is categorized B for indigenous peoples. The Maranao constitute the majority of the population in the project area. They are expected to benefit from improved delivery of basic services in Marawi and other affected areas.</p> <p>2. <b>Is broad community support triggered?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The project will ensure that local partners including local nonstate authorities will be consulted to strengthen coordination.</p>		
<p>3. <b>Strategy to address the impacts.</b> REMDFs have been prepared and resettlement and ethnic minority development plans must be prepared in line with the framework for project outputs with indigenous peoples impacts.</p>		
<b>4. Plan or other actions.</b> <input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action		<input checked="" type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input checked="" type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>		
<b>A. Risks in the Labor Market</b> <p>1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).  <input type="checkbox"/> L unemployment <input type="checkbox"/> L underemployment <input type="checkbox"/> L retrenchment <input type="checkbox"/> L core labor standards</p> <p>2. <b>Labor market impact.</b> There may be potential employment opportunities during the construction and refurbishing of civil works.</p>		
<b>B. Affordability</b> There are unlikely to be affordability issues.		
<b>C. Communicable Diseases and Other Social Risks</b> <p>1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):  <input type="checkbox"/> L Communicable diseases <input type="checkbox"/> L Human trafficking <input type="checkbox"/> N/A Others (please specify) _____</p> <p>2. Risks to people in project area.</p>		
<b>VI. MONITORING AND EVALUATION</b>		
<p>1. <b>Targets and indicators.</b> The expected impact is accelerated economic and social recovery in the Greater Marawi area. The outcome will be critical public, social, and livelihood infrastructure reconstructed.</p> <p>2. <b>Required human resources.</b> The Task Force Bangon Marawi will lead monitoring of the Bangon Marawi Comprehensive Rehabilitation and Recovery Program, with the Department of Finance providing oversight on overall expenditure and financing.</p> <p>3. <b>Information in the project administration manual.</b> Not applicable.</p> <p>4. <b>Monitoring tools.</b> National Economic and Development Authority regional gross domestic product data and Poverty and Social Assessment poverty data, and Task Force Bangon Marawi reports.</p>		

ADB = Asian Development Bank, COBP = Country Operations Business Plan, DSWD = Department of Social Welfare and Development, IDP = internally displaced persons, PDP = Philippine Development Plan, REMDF = Resettlement and Ethnic Minority Development Frameworks, RHU = rural health unit, UHU = urban health unit.

Source: Asian Development Bank staff.