

# DIALOGUE PLATFORM FORECAST-BASED FINANCING

## 4<sup>th</sup> National Dialogue Platform

### Forecast-Based Financing

### Manila, Philippines

05 - 06 December 2018



**Acronyms:**

COA	Commission on Audit
DOF – BLGF	Department of Finance – Bureau of Local Government Finance
DILG	Department of Interior and Local Governance
DMAF	Disaster Management Assistance Fund
DREF	Disaster Relief Emergency Fund
DRR	Disaster Risk Reduction
EA	Early Action
EAP	Early Action Plan
FAO	Food and Agriculture Organisation
IRA	Internal Resource Allotment
IFRC	International Federation of the Red Cross
LCE	Local Chief Executive
LGU	Local Government Unit
LDRRMF	Local Disaster Risk Reduction and Management Fund
MDRRMC	Municipal Disaster Risk Reduction Management Council
NDRRMF	National Disaster Risk Reduction and Management Fund
PDRRM	Provincial Disaster Risk Reduction and Management
PSF	People’s Survival Fund
WFP	World Food Programme

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## 1. Agenda

### Day 1: 5<sup>th</sup> December 2018

Time	Activity
8:30 - 9:00	<b>Registration of participants</b>
9:00 - 9:30	<b>Preliminaries</b> <ul style="list-style-type: none"><li>• Opening Prayer</li><li>• National Anthem</li><li>• Agenda of Working Groups: Pitches by Panel Chairs</li></ul>
9:30 - 11:30	<b>Working Group (WG) Sessions</b> <ul style="list-style-type: none"><li>• Group 1: Triggering Procedures at the Local Level</li><li>• Group 2: Strengths and Challenges of Existing Financing Tools</li><li>• Group 3: Integrating FbF into LGUs Current Practices</li></ul>
11:30 - 12:00	Next Steps
12:00 - 13:00	Lunch

### Day 2: 6<sup>th</sup> December 2018

Time	Activity
08:00-08:30	Arrival of Participants Registration
08:30-09:30	Opening Programme <b>Mr. Stephen Gluning</b> , Representative and Country Director, WFP <b>Ms. Marine Durand</b> , Head of Office, German Red Cross in the Philippines <b>Ms. Ana Ventura</b> , Embassy of the Federal Republic of Germany Group Photo
09:30-10:00	<b>The FbF Concept</b>
10:00-10:45	<b>IGNITE Presentations on Forecast-based Financing Implementation in the Philippines</b> By: Philippine Red Cross, FAO, WFP
10:45-11:00	Coffee break
11:00-12:15	WG1 Outcomes (FAO): Defining the triggering procedures at local level for Forecast-based early actions (for typhoon, river flooding, drought), in particular for the pilot projects of the Red Cross, FAO, and WFP

	Q & A
12:15 - 13:30	Lunch
13:30 – 13:45	IGNITE: OXFAM’s Pilot of Forecast-based Financing in the Philippines <i>Ms Maria Teresa Espanola-Abogado</i>
13:45 – 14:45	WG2 (WFP): Strengths and challenges of existing Financing tools for Forecast-based Early Actions (LGUs, line agencies)  Q&A
14:45-15:00	Coffee break
15:00-16:00	WG3 (RC): Integrating Forecast-based Actions into LGUs’ planning process  Q&A
16:00-17:00	Wrap Up Session & Closing Remarks  <b>Damien Riquet</b> , German Red Cross in the Philippines  <b>Ms Tamara Palis-Duran</b> , Assistant FAO Representative, Food and Agriculture Organisation of the UN  <b>Ms Elizabeth Zavalla</b> , Secretary General, Philippine Red Cross
18:30	Networking Dinner

## 2. Introduction

### *2.1. Participants*

Over 100 participants attended from:

- national and regional member agencies of the National Disaster Risk Reduction and Management Council;
- academic and scientific/research institutions;
- selected partner from LGUs (Provinces of Sorsogon, Iloilo, Batangas, Laguna, Misamis Oriental, Benguet, Cagayan, Maguindanao, Compostela Valley, Davao Oriental, Western Samar, Eastern Samar, Northern Samar, Agusan del Sur, Agusan del Norte, Camarines Norte, Camarines Sur, Catanduanes)
- partners and collaborators of WFP, FAO and the Red Cross on the early actions financing and implementation

### *2.2. Objectives of the forum*

This forum aimed to bring together key stakeholders to:

- enhance understanding and agree on the description of the triggering procedures for forecast-based early actions
- develop ways forward on financing mechanism including tools for the forecast-based early actions
- discuss the integration of forecast-based actions into the local government units' planning process

### *2.3. The Forecast-based Financing Concept in the Philippines*

The Philippines is one of the **most at-risk countries** for sudden and slow onset events due to its geographical location and other related factors that contribute to the vulnerability of communities. To help address this and move towards resilient development, various policies were enacted to address current and reduce future risks. These are the Philippine Climate Change Act of 2009 (RA9729) and the Philippine Disaster Risk Reduction and Management Act of 2010 (RA10121). These national policies did not only help the country shift its focus from responding to disasters to mitigating risks, but more importantly, it provided the enabling environment towards a **resilience building approach** to address the evolving risks patterns that the country faces.

To help build resilient communities and strengthen the anticipatory, adaptive, responsive and transformative capacities of communities and institutions, various approaches have been developed. One of these is the Forecast-based Financing (FbF) initiative. FbF is an institutional mechanism that enhances **Early Warning Early Action** and sets up an automatic system that **triggers and funds preparedness actions before disasters strike**. A key element of FbF is that the allocation of resources is agreed in advance, so donors and stakeholders can weigh the risk of occasionally acting in vain

against consistently failing to take early action. FbF is envisioned to contribute to building community resilience especially if it compliments climate-smart disaster risk reduction and response efforts.

### 3. Ignite Session: Updates from the Philippines

#### 3.1. Philippine Red Cross (presented by: Ms. Ana Villa Mariquina)

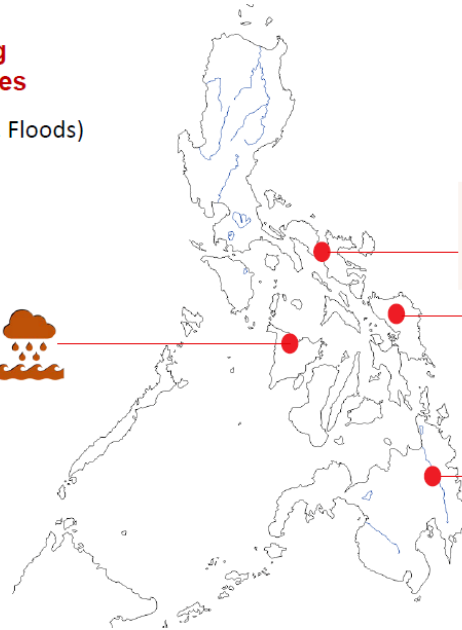


For the implementation in 2018, the Philippine Red Cross, in partnership with the German Red Cross and Finnish Red Cross, prioritized 10 high risks areas nationwide for the development of Early Action Protocols (EAP) for Typhoon and Flooding. Early actions, such as distribution of cash, cash for work, house strengthening, and support to evacuation of livestock, were identified in a participatory manner and were intended to mitigate possible negative impacts in the targeted areas from the respective hazards.

## Red Cross Red Crescent Forecast-based Financing Initiatives in the Philippines

- 2 EAPs in 2018 (Typhoon, Floods)
- 10 target provinces
- finalized in Dec. 2018

Flood EAP: Panay river basin  
EA: cash



Typhoon EAP: Bicol region  
EA: cash for work



Typhoon EAP: Samar  
EA: house strengthening



Flood EAP: Agusan river basin  
EA: cash & support to evacuation (livestock)



One of the main activities implemented by the Red Cross was the simulation held in October 2018 to test the Early Action activation process. Typhoon EAP – early action was tested in Western Samar, where 40 households received shelter strengthening kit. In Capiz, 200 households received unconditional cash grants to test Flood EAP – early action.

Regarding the implementation in 2018 in general, some lessons learned were:

- A short lead time of at most three days means that key things, such as identification of potential target areas, pre-screening of beneficiaries and market surveys, need to be prepared in advance
- The budget for EAP should be split between prepositioning (1/3) and mobilisation (2/3) once the triggers have been activated
- Need to improve coordination at national and provincial level to support trigger mechanisms and implementation of early actions
- Need to engage more organizations to create further evidences



Planned next steps:

- Finalise the EAP for typhoons and flooding



- Test activation plan ready for a target of 200 households (HH) for the distribution of shelter strengthening kits or target of 150 HH for cash for work, in case of a typhoon before the EAP is approved
- Replication strategy for 2019 includes expanding the typhoon and flood EAPs to up to 14 other provinces and implementing a peer-to-peer approach so that pilot targeted provinces can share their FbF learning experiences. Another aim is to reduce the preparation period for new EAPs from the current six months to only three.

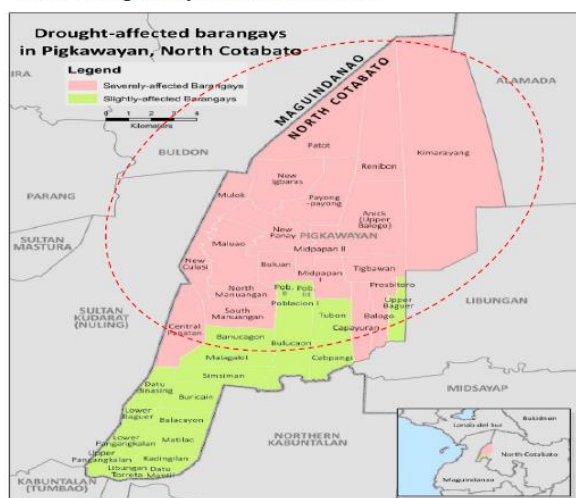
### *3.2. Food and Agriculture Organization of the United Nations – Early Warning Early Action (presented by: Maria Zella Quilla)*



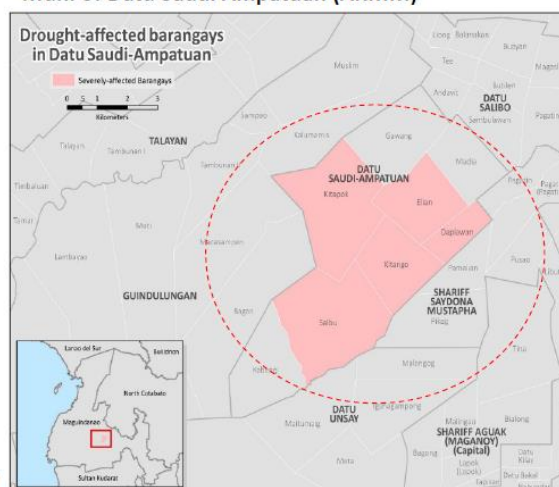
FAO has been implementing its pilot project in Mindanao since 2015. The pilot project looks at drought related to El Niño, which is expected to peak in early 2019. The objective is to save the livelihoods of selected vulnerable rice farmers.

## Map of drought-affected barangays (2018/2019 forecast)

Mun. of Pigkawayan North Cotabato



Mun. of Datu Saudi Ampatuan (ARMM)



Some of the early actions for drought include:

- Providing alternative livelihoods such as livestock and vegetable seeds to famers who have already started planting
- Providing drought-resistant seeds to farmers who have not started planting yet
- Installing small-scale irrigation systems
- Information and education campaigns

One lesson learned from the project was that despite extensive planning, the situation can still be volatile. For example, FAO did not expect that drought would peak in January and that it would therefore coincide with planting.

### 3.3. World Food Programme – Forecast-based Emergency Preparedness for Climate Risks (Presented by: Joan Odeña)



WFP built on previous partnerships to develop the Standard Operating Procedures (SOPs) for 10 hazard-prone provinces throughout the Philippines, addressing triggers, local thresholds, early actions, and responsibilities. The SOPs aimed to tackle vulnerability to typhoons, flooding, and rain-induced landslides.

Some activities of the second phase of the pilot, which started in 2018, include:



- A theory of change workshop for FbF practitioners was conducted
- Output, methodology and lessons learned were presented at Regional Dialogue Platform for Asia Pacific
- Enhancement/adoption of Standard Operating Procedures (SOPs) in ten (10) provinces
- Capacity enhancement of national meteorology services: a 10-day training on prediction and forecasting for PAGASA was organised.
- Advocacy to enhance the institutionalisation of the FbF approach in national government
- A study on mechanisms for financing early actions was commissioned to contribute to evidence generation.

#### *3.4. OXFAM – B Ready (presented by Ms. Maria Teresa Espanola-Abogado)*



OXFAM's pilot project will be implemented in the next two years with partners such as Plan International, the private sector and financial institutions. The project will focus on digital financial products for the government and household level, which will include prepositioning some of them, e.g. as prepaid cards. Other aspects will include micro insurance, gender and protection.

## 4. Working Groups

Three key components of FbF were discussed separately in different working groups, each led by one of the participating organisations depending on the focus of their FbF projects. The working groups worked on their respective topics on the first day, which involved the presentation of insights from academics, national line agencies, and practitioners and discussions of existing practices, their strengths and challenges as well as opportunities for improving these practices. The outputs of each WG were presented to the plenary on the following day.

- **WG 1: Triggering procedures**

This WG, led by FAO, focused on the indicators and thresholds of triggers. The group looked at gaps in the current procedures and discussed the development of standard triggering systems for major hazards.

- **WG 2: Financing tools**

This WG was led by WFP and co-led by representatives from the national line agency, Department of Finance (DoF). The group discussed existing tools that LGUs use to fund early actions and mitigation, the funds they can access as well as the regulations and policies that are in place for the financing of early actions.

- **WG 3: Integrating early actions into LGUs' plans**

This group was led by the Red Cross and co-led by the national Department of the Interior and Local Government (DILG). The group discussed the importance of integrating early actions and other FbF-related concepts into LGUs' plans and shared experiences/advice on how this can be achieved.

## 5. Working Group 1: Triggering Procedures





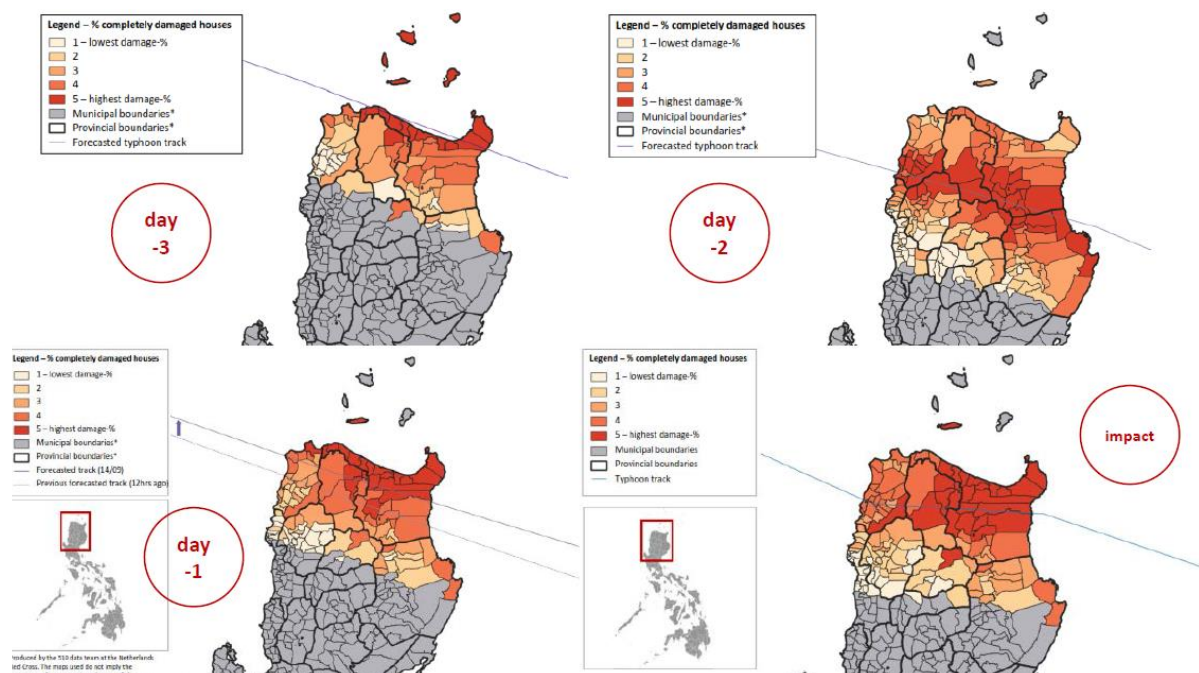
### 5.1. Introduction on Typhoon Triggers: Lessons Learned from Ompong

The Red Cross reported on its experiences in developing triggers for typhoon Early Actions, based on impact-forecasts, which were tested in advance of the Super Typhoon Mangkhut (Ompong).

The triggers were chosen based on:

- Acceptable probability of occurrence (3-day forecast with 60-70 percent accuracy)
- Threshold above which the impact of the typhoon is considered to be critical, e.g. at least 10 percent of households in a given area would be completely damaged by the typhoon winds

The impact of the typhoon was predicted using a statistical developed by the 510 initiative of the Netherlands Red Cross (see below).



The map above shows the predicted impact of typhoon Ompong on houses based on a 3-day, 2-day and 1-day windspeed forecast, and the estimated impact based on recorded winds at landfall.

The 3-day forecast was used to anticipate impact at municipal level, which was above the threshold (more than 10% of houses totally damaged). Based on a vulnerability index developed by 510 initiative, it was then possible to shortlist the municipalities where to implement early actions. However, since Cagayan province was not part of the target provinces of the Red Cross for the development of the Typhoon EAP, no Early Actions were implemented.

While the 3 days forecast was good for predicting the provinces most at risk, only a quarter of the shortlisted municipalities with the highest predicted damages recorded a significant percentage of houses being totally damaged.

### 5.2. Key questions discussed in the working group

- What are the prioritized disaster risks actively monitored in your areas?
- What are your sources of information to monitor the risks? Are they sufficient? What are the gaps?
- How is the information from early warning system used?
- Is there an opportunity to improve the utilization of the information to develop triggering procedures?

### 5.3. Output presented at the plenary session

Existing practices related to triggers	Strengths for “triggering” EA	Limitations for FbA	Opportunities for the FbF pilots
Typhoon trigger of the Red Cross that will be used in target provinces	Linking windspeed forecasts to damages to houses: good for house strengthening	Not possible to anticipate landslides impact; only internal trigger; Pacific Disaster Center provides similar product	Mainstreaming of the approach
FAO EWEA pilot implementation	Triangulation of different sources	Limited internal funding	Adoption by LGUs and other government agencies

Good practices and strengths	Limitations of setting up triggers	Opportunities for the FbF pilots
Advancing awareness on the importance of preparedness and acting earlier	Reconciling the information from forecasts with the actual situation	Improving technologies from our forecasting organizations
Existing protocols (i.e. LISTO, PAGASA, PLGU)	Local sources and knowledge must be considered in triggers	LGUs have contingency plans where FbF approach can be mainstreamed
Lessons learned from past disasters	There’s a need to integrate other livelihood and health indicators	Several agencies have set up databases that can be used in identifying triggers and thresholds
Human resources are available in LGUs	Need to capacitate LGUs with the different approaches on setting up triggering procedures at the local level	Capacity building is among the core components of FbF implementation
Available technology	Complexities of triggers for rapid onset and slow onset hazards	Various partners are looking into different hazards most frequently encountered in the Philippines
Engagement of national and local agencies	Political boundaries in a way limit the monitoring	Coordination may be improved with the increasing recognition of the advantages of FbF

#### 5.4. Questions/Feedback from participants

##### Good Practices

- El Niño forecast should be eight (8) months prior to the event according to Mr. Daep of PLGU Albay. In their province, triggers include PAGASA raising signals (wind), storm surge, precipitation of 5mm per hour (rainfall) and 15 mm per hour (flooding). In addition, he briefly discussed the five alert levels of volcanoes to provide the context on the basis for volcanic eruption triggers.
- WFP's capacity strengthening for PAGASA is enhancing its capacity on sub-seasonal forecasting, climate monitoring and 7 days prediction

##### Lessons Learnt

- The important thing is that triggers are **responsive to beneficiaries' needs**; even if the threshold is not met, beneficiaries might already be suffering. To ensure that early actions are tailored to beneficiaries, a list of farmers and fishers with respective poverty levels can be obtained from social welfare.

In the province of Catanduanes, the typhoon is the most identified hazard, but small-scale fishermen's activities can even be affected by gale warnings. Livelihoods can therefore be affected even by slight changes in weather, showing that triggers should vary from area to area. Another example are the *abacaleros* (abaca traders) whose livelihood is affected with one week of

straight rains, even without a typhoon, that degrades the quality of the abaca thus affecting their sales. Abaca is a main industry in Catanduanes and declines in abaca market can affect the province's economy. Thus, trigger warnings should be tailor-fit to the needs of those who are vulnerable to weather changes.

- The right balance between the model and learning from localised experience needs to be found.
- There are existing efforts by the German Red Cross. They are still learning in terms of anticipating triggers for hazards.

##### Advocacy on Forecast-based Financing

- **Advocacy for financing** is a necessity; however, local officers often do not understand the concept of funding anticipatory actions.
- Targeting is currently quite narrow by being restricted to a few hazards, excluding for example volcano eruptions. Thinking about a **wider range of hazards** would be a useful exercise. FbF



Mr. Cedric Daep, LDRMO of the Province of Albay



Mr. Andro Facundo, LDRMO of the Province of Catanduanes

should also be extended beyond its initial focus, which is humanitarian suffering, as it can have further benefits down the value chain.

- What about the national rather than the local level? There is already a national technical working group. The government is starting to subscribe to FbF and looking at how to integrate into national plans.
- *The DRR Officer from PLGU Northern Samar also expressed that they may have protocols, but the problem is the advocacy and financing. He wants to understand on how will their local chief executives recognise their role in releasing the funding for FbF. He believes that FbF is there in principle but mobilizing funds is very challenging. His concern is on how do they engage the leaders to be involved in the “financing” part of FbF.*
- Observations shared by the IFRC participants: 1) The FbF topic in the Philippines is only limited to discussions on typhoons, but it should also address for the volcanic eruptions, earthquakes. It is good to encourage LGUs to think about this; 2) FbF has gone beyond what it was originally meant to be – to save lives. It has now evolved towards the development of policies to improve lives in general. This proves that prevention really is better than cure.
- **Preparations for El Niño:**
  - It is important to discuss thresholds, triggers and early actions specifically for this event as it is one of the **most imminent**.
  - According to the Department of Agriculture, early actions for El Niño are dependent on forecasts from PAGASA. The department has started formulating a prevention action plan for El Niño
  - The impacts of El Niño on water, livelihood and health should be considered as well as the predicted location of the effects. One focus should be on preventing out-migration.



Ms. Agnes Palacio of UN OCHA

## 6. Working Group 2: Strengths and Challenges of Financing Mechanisms and Tools

This working group discussed the tools and mechanisms that are available to finance early actions. A short panel of speakers shared their research and experiences. The participants of the group consisted largely of representatives from academe and local government units in the Philippines.

### 6.1. Study on available financing tools



**Ms. Fraulein Oclarit** from **Holy Trinity College of General Santos City** was commissioned by WFP to conduct a study on the way LGUs currently finance early actions and the challenges they face. She sampled nine provinces that are already using early actions or that are planning to do so, looking at both legal instruments or formal arrangements, and non-formal arrangements, such as those between LGUs.

The study found that financing for early actions is not yet fully embraced or institutionalised by LGUs. While some LGUs innovate and use financing tools to do so, they do not commonly understand it as FbF. They also often do not distinguish between pre-forecast preparedness and early actions; for example, they might do “early actions,” without basing them on scientific forecasts.

The study also highlighted some of the **challenges** to early actions:

- Existing laws are not yet suitable to financing of early actions for sudden-onset disasters, which require quick processing.
- Early actions present an opportunity for corruption, especially if the event does not occur. The financing might also be used to advance a business or political agenda.
- Different provinces use different terminology regarding the steps involved in FbF, which makes it difficult to compare their approaches.

There are, however, also several **opportunities** for financing early actions: the LDRRMF (Local Disaster Risk Reduction and Management Fund), the NDRRMF (National Disaster Risk Reduction and Management Fund) and the PSF (People’s Survival Fund) are all windows that can be used, although the regulations attached to them often prevent LGUs from accessing them. Meanwhile, PSF will finance preparedness and early warning system – technologies that will augment the local forecast information that may trigger the early actions in the area.

## *6.2. National government perspective*

**Ms. Erwina Morales** from the **Department of Finance – Bureau of Local Government Finance** (DOF – BLGF) presented on the possibilities that LGUs have for applying for loan from the government. The Disaster Management Assistance Fund and the Municipal Development Fund are appropriate funds as they have low interest rates and include provisions for early warning systems, emergency tools and equipment, among others.

However, these mechanisms require long-term planning on the side of the LGUs, as the application process can take approximately six months. To acquire the certificate to borrow, LGUs need to have a local plan as well as an annual investment plan in place. Another factor that is taken into consideration is the annual regular income of the LGU.

DOF also cited the legal framework where the Local Government Unit can access financial support (e.g. loans) for calamity and preparedness actions such as the Sec. 324 of Local Government Code. There are also guidelines on the appropriation and utilization of the 20 percent of the annual internal revenue allotment for development projects as cited in the Joint Memorandum Circular 2017-1 issued on February 22, 2017.

### 6.3. LGU perspective

**Ms. Marivic Viesta** presented her experiences with early actions in the **LGU of Santa Teresita, Cagayan**. To enable families to be better prepared for disasters, they were provided with vouchers to buy housing materials for shelter strengthening. The criteria for receiving vouchers included both vulnerability to natural disasters and the family's economic status.

The following table summarises some of the perceived strengths and challenges of these early actions:

Strengths	Challenges
<ul style="list-style-type: none"> <li>Available fund from the LDRRMF (integrated in LDRRM plan)</li> <li>Availability of list of target beneficiaries</li> <li>Strong support of Local Chief Executive (LCE) and Municipal Disaster Risk Reduction Management Council (MDRRMC)</li> <li>Less families are affected by disaster</li> <li><i>Barangay</i> officials provide monitoring support</li> <li>Beneficiaries can access other social protection programs</li> </ul>	<ul style="list-style-type: none"> <li>Limited fund allocation</li> <li>No standard design of typhoon resistant shelter</li> <li>Political intervention</li> <li>Change of administration</li> <li>Commission on audit (COA) regulations</li> </ul>

DSWD provides Emergency Shelter Assistance (ESA) after a disaster. Since the municipality of Sta. Teresita experiences at least 2 to 3 big typhoons yearly, the local government decided to establish a program on shelter strengthening. This way, the most vulnerable households can fortify and improve their housing prior to disasters. The local government uses the DSWD's *LISTAHANAN* as basis for prioritization. The LGU of Sta. Teresita also acknowledged the recommendation to establish a standard on shelter assistance to ensure the effectivity and efficiency of their initiative. The local Social Welfare and Development Office used to fund this program before but currently, it has been co-implemented with the local DRRM office, hence the allocated funds for the shelter strengthening has been augmented by the LDRRMF under preparedness. Hence, the LGU Sta. Teresita can finance shelter strengthening prior to onset of disasters.

**Mr. Cedric Daep** discussed his experiences with disaster management in the **Provincial LGU of Albay**. He identified three types of warnings he utilized in his province relating to different hazards:

Warning component	Hazard	Lead time
Prediction	Earthquake and volcano	Years
Forecast	Wind and rainfall	Days to weeks
Detection	Flood, landslide	Hours to days

He also identified strengths and challenges regarding the use of early actions in his LGU:

Strengths	Challenges
<ul style="list-style-type: none"> <li>70 percent of the LDRRMF are allocated to preparedness and mitigation, 30 percent to quick response</li> </ul>	<ul style="list-style-type: none"> <li>Uncertainty over the location and timing of a disaster</li> </ul>

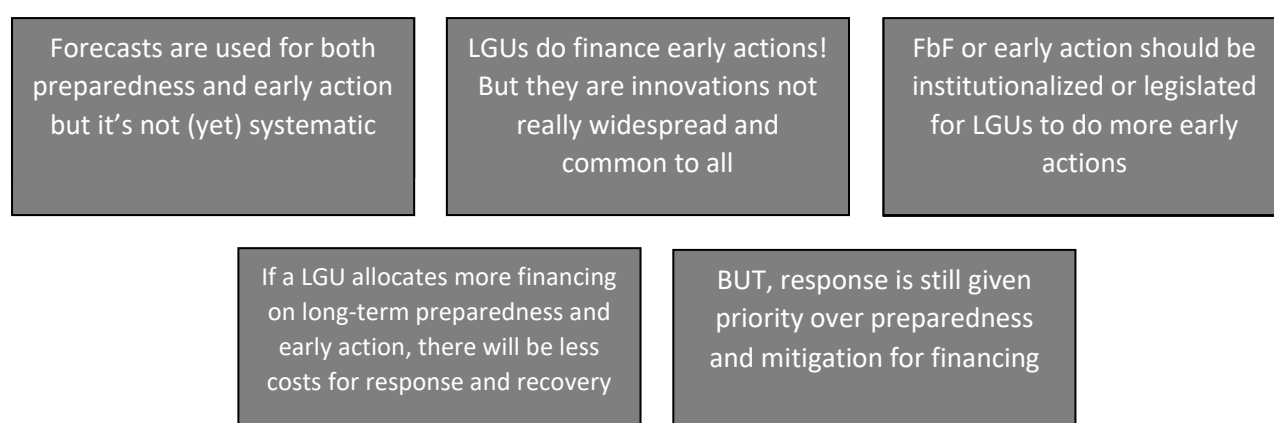
- Responding to a disaster provides the opportunity to build back better
- Declaring the depletion of funds enables the use of national government funds
- International assistance focuses on warning systems, construction of evacuation sites
- Short-term political leadership and insufficient local budget for implementing DRR
- Financial external support usually focuses on response rather than preparedness

So far, the LDRRMF has been programmed as an PDRRM plan and was integrated in the Annual Investment Plan. The PDRRM plan covers: preparedness, mitigation, response (starting upon first issuance of official early warning information), and recovery.

Some of the early actions that are currently used in Albay include:

- Early warning
- Communication protocol
- Evacuation procedures
- Education and trainings
- Contingency and DRRM plans
- Warning and evacuation drills

#### 6.4. Key take-aways from WG2



#### 6.5. Output for plenary session

The following matrix was developed by the participants of the working group to summarise the features of existing mechanisms that are used to finance early actions:

Existing practices on financing early action	Strengths	Challenges	Opportunities for the Integration of an FbF System
Use of 70% of the LDRRMF for early action (ex. House strengthening, pre-positioning)	Funding is readily available and programmed	<ul style="list-style-type: none"> <li>Fund could be limited</li> <li>Might not always have legislative support</li> <li>Change of administration</li> </ul>	<ul style="list-style-type: none"> <li>Institutionalize practices at local level</li> <li>Early action funding mechanism</li> </ul>
Existing Quick Response Fund (30% of LDRRMF)	Funding is available at local level	Only upon declaration of state of calamity (after disaster happens)	Use of QRF for imminent threats and taking early action
DSWD Predictive Analytics (examines resources available for response before disaster)	Prepositioning is done based on models/needs	Household data is limited to Listahanan and 4Ps	Can replicate system at the local level so local capacities are also examined before disaster
Mechanisms for Cash Advances to fund early actions	Needs can be funded immediately	<ul style="list-style-type: none"> <li>Risk of being questioned later</li> <li>Fear of disallowance</li> </ul>	Local resolutions to institutionalize financing early action

## 6.6. Scenarios

To encourage discussion, four participants of WG2 presented specific scenarios related to the financing of early actions. The participants of the plenary split into four groups to discuss each scenario and rotated to provide different inputs for each scenario.

**Scenario 1:** *“I am the DRRM officer in an LGU on the Eastern Seaboard and I have just received the forecast that a typhoon is hitting the country. Based on our experience with previous typhoons, I know that the typhoon is likely to cause landslides in our LGU with potentially devastating effects. We are only hours away from this scenario. How can I access funds before the landslides hit to help the most vulnerable people in my area?”*

Suggestions:

- The LGU can make use of/access the **70 percent preparedness funds** ahead of the landfall of the typhoon by requesting for cash advance (PDRRMO) to the Budget Officer. The Local Chief Executive will give the authority to the Provincial Disaster Risk Reduction Management Officer. Emergency procurement of relief items and deployment of early responders to vulnerable areas can also be executed.
- If a Memorandum of Agreement is in place with another organization that can assist with early action responses, then that can be invoked to preposition relief items prior to processing payment.
- Pre and Post-disaster: Reach out to DPWH to utilize transportation resources to evacuate the vulnerable communities. After the disaster, the equipment can also be used identify locations of pre-positioned equipment for clearing, right after the disaster/impact.

**Scenario 2:** *“I am the Municipal DRRM Officer of a fifth-class municipality. My budget is very limited, but I want to do early actions in my area. How should I go about advocating so that I can get financing to do this?”*

Suggestions:

- Augment limited budget by coordinating with provinces who can allocate more budget
- Twinning: **alliance between two nearby municipalities**
- Submit proposals to NGOs and humanitarian organizations, backed up by effective messaging and vulnerability assessment
- Engagement with private sector
- In some cases, the local DRRM Officers engages the partner (e.g. wife) of the Local Chief Executive to advocate for early actions/preparedness actions.

**Scenario 3:** *“I am the LCE of Santa Barbara and I want to declare a state of calamity in my area, but I need the approval of my council. We have political differences, so I know that they won’t agree with my proposal. How can I resolve this issue?”*

Suggestions:

- Emphasise the necessity to the LGU council by encouraging them to visit the site and by providing scientific evidence through an external person
- **Increase the pressure on the council by making all the information publicly available**, e.g. through a media conferences or social media
- Involve the LGU council as early as possible in assessments etc. to increase transparency
- Involve the Department of Interior and Local Governance (DILG) to resolve the differences
- Consider using the 70 percent of the LDRRMF that is meant for preparation until the QRF can be accessed
- Veto power the local government

**Scenario 4:** *“I am the Mayor of San Jose. According to the most recent forecast, a typhoon will hit this LGU within the next three days. I want to declare a state of imminent threat so that I can access the 30 percent quick response fund of the LDRRMF. How can I do this?”*

Suggestions:

- The LGU can make use of/**access the 70 percent preparedness funds ahead of the landfall** of the typhoon by requesting cash advance (PDRRMO) to the Budget Officer. The local chief executive officer will give the authority to the provincial officer. Emergency procurement of relief items and deployment of early responders to vulnerable areas can also be executed.
- If a Memorandum of Agreement is in place with another organization that can assist with early action responses, then that can be invoked to preposition relief items prior to processing payment.
- Pre and Post-disaster: Reach out to DPWH to utilize transportation resources to evacuate the vulnerable communities. After the disaster, the equipment can also be used identify locations of pre-positioned equipment for clearing, right after the disaster/impact.



The participants as they generously provided their inputs to the scenario consultation during the workshop.

## 7. Working Group 3: Integrating FbF into LGU's Plans

In order to sustain the implementation of forecast-based early actions, integration is a key. With the existing plans of the local government unit, possible avenues of linkage and integration, which will allow forecast-based early actions to be implemented, were discussed and explored.

To guide the discussion, key questions were put forward:

- What type of early actions would be most relevant to you?
- Are the current plans adapted to support these EAs? If yes, what are those plans?
- What works and does not work with the current/existing plans?
- What could be a possible way forward?



Ms. Charmaine Mariñas of Philippine Red Cross co-facilitates the presentation of the Working group 3.

The working group started with the panel discussion (case studies) from the different LGUs and organizations. This provided an overview of examples of early action, and how some LGUs and/or organization is linking it or embedding it in the existing plans and processes.

### 7.1. Panel Discussion

#### 7.1.1. Local Government Unit of Camarines Norte

The Provincial DRRM Officer, Mr. Antonio Espana, pointed out some early actions that are implemented in their province, such as (1) pre-harvesting of rice and agriculture products, (2) activation of transportation vehicle for pre-emptive evacuation, (3) food for work for the community, (4) pre-emptive evacuation, (5) activation of the DRRM Council and conduct of PDRA meeting, and (6) other actions, as listed and guided by the Operation L!sto of DILG.



All of the above early actions were integrated into the plans of (1) Office of the Provincial Agriculturist Office, (2) Provincial Social Welfare and Development, (3) Provincial DRRM, (4) Municipal DRRM and (5) Comprehensive Land Used Plan (CLUP). Despite these promising outcome, Mr. Espana sees the need for further development of clear processes to fully adapt the early action.

#### *7.1.2. FAO Early Warning Early Action*

The Early Warning Early Action project is a pilot in the Philippines, focusing on drought and targeting vulnerable rice farming households in two pilot provinces in Mindanao. The following early actions are planned: (1) upgrade/installation of small-scale irrigation system, (2) distribution of drought resistant rice seeds varieties and assorted vegetables seeds, and alternative livelihood, and (3) increasing awareness and strengthening utilization of early warning system, through IEC. To sustain the project and allow LGUS to continue or replicate the activities, integration was advocated at the (1) Department of Agriculture DRR Plan, (2) LGU DRRM Plan- in Agriculture sector, (3) Local Climate Change Action Plan, and (4) CLUP and Annual Investment Plan.

#### *7.1.3. Local Government Unit of Sorsogon*

This LGU is using the 72 hours assessment, which will allow them to decide on conducting activities such as a council meeting, PDRA meeting, pre-emptive evacuation, and prepositioning of resources.

#### *7.1.4. Department of the Interior and Local Government (DILG)*

On the national level, the DILG presented mainstreaming framework and the interlinkages of plans. This gave information to the participants on what are those plans which can be explore in the integration of forecast-based early action. Some examples are the CLUP, CDP, and LCCAP. They also emphasized the importance of a participatory, consultative, and inclusive planning process.

### *7.2. Output for Plenary Session*

#### *7.2.1. Pre-requisite for planning: risk and vulnerability assessment*

Before FbF can be integrated into LGU plans, the risk and vulnerability of the LGU need to be assessed. The characteristics of the two main tools as well as their strengths, challenges and opportunities are summarised below:



<b>CBMS</b> <ul style="list-style-type: none"> <li>• Community Based Monitoring System</li> <li>• Tool for collecting household data/information</li> <li>• Utilized to monitor poverty in the locality</li> <li>• Can be utilized in the conduct of risk and vulnerability assessment</li> </ul>	<b>CDRA/VRA</b> <ul style="list-style-type: none"> <li>• Climate and Disaster Risk Assessment/Vulnerability/Risk Assessment</li> <li>• Tool to evaluate vulnerability and risk of a locality</li> <li>• Tool utilized by HLURB, CCC, and DILG</li> <li>• Tool being utilized to mainstream DRR-CCA in local plans</li> </ul>
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Strengths	Challenges	Opportunities
<ul style="list-style-type: none"> <li>• The information can be used directly for prioritizing Forecast-based Actions</li> </ul>	<ul style="list-style-type: none"> <li>• Very lengthy and costly process</li> <li>• A lot of data not related to risk to be collected</li> </ul>	<ul style="list-style-type: none"> <li>• If CBMS is already available/ongoing, FbF projects can use in pre-selecting areas of intervention</li> </ul>

Assessment activities, which are pre-requisites of the LGU plan, are also good avenues for mainstreaming FbF. They will help the LGU maximize the data they have and plan appropriate forecast-based early actions.

#### 7.2.2. Integrating early actions into LGUs' Plans

Existing practices	Examples of early actions covered	Strengths	Weaknesses
Local Disaster Risk Reduction Management Plan / Contingency Plan	<ul style="list-style-type: none"> <li>• PDRA meeting</li> <li>• Pre-emptive evacuations</li> </ul>	<ul style="list-style-type: none"> <li>• Well-known plans</li> <li>• Mandatory by law</li> <li>• Allocation of at least 5 percent of the IRA</li> </ul>	<ul style="list-style-type: none"> <li>• For lower-classes LGUs, funds can be rapidly exhausted, whereas higher classes LGUs might not use all funds</li> <li>• Actions need to be "COAble"</li> <li>• Access to DDRM Fund (30 percent) can only be used once state of calamity has been declared</li> <li>• DRR is the least prioritised</li> </ul>
Local Climate Change Action Plan	Installation of small scale irrigation systems	<ul style="list-style-type: none"> <li>• Existing guidelines on the formulation of the LCCAP</li> <li>• Mandatory by law</li> <li>• Consider slow-onset hazards</li> </ul>	Limited capacity of LGU to conduct risk assessment and formulation of plan
Office of Provincial Agriculture, Local Social Welfare	<ul style="list-style-type: none"> <li>• Pre-harvesting of crops</li> </ul>	Can address sectorial needs and complement LGU's 5 percent	<ul style="list-style-type: none"> <li>• Limited to sectoral needs</li> <li>• Limited funds</li> </ul>

Development Offices	<ul style="list-style-type: none"> <li>• Clearing of drainages through CFW</li> </ul>		
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#### 7.2.3. Opportunities:

- Explore possibility of utilising the 20 percent development fund of the Internal Resource Allotment (IRA) for FbF as a mechanism to protect investments in key development sectors
- Other sectors could also allocate funding for EA (e.g. health, education)
- NGOs EA can be a catalyst for LGUs' own EA plans towards more vulnerable communities
- Funding from People's Survival Fund (PSF), a financial grant for climate change adaptation projects/activities

#### 7.2.4. Possible way forward - with the Technical Working Group

- Select pilot provinces and support training on integration of EA into key plans
- Select key municipalities where Community Based Management System (CBMS) can be completed and use it in planning EA
- Mobilise key sectors (e.g. agriculture, fishing) for EA planning
- Document the process
- Disseminate evidence to provinces, LGUs, International NGOs

#### 7.2.5. Comments/feedback from participants

- All LGUs should do assessment and planning process; they need to prioritize the use of their funds.
- CBMS should be implemented by the LGUs. It is mandatory but due to its costs, some LGUs are having difficulty completing it.
- One challenge with the integration is the capacity of the Local DRRM Offices. Internal resources, in particular a well-established DRRM Office, and sufficient personnel are vital.



## 8. Plenary Wrap Up Session

Outputs from participants' discussions on the following questions:

What should I do?



- Integrate FbF into plans
- Lobby with other LGUs / NGAs
- Orient community regarding FbF
- Ensure participation and involvement of LGU and relevant stakeholders
- Advocate FbF to NGOs and all stakeholders
- Mainstream early actions on the regular PPA's of the agency
- As a researcher, will contribute to providing evidence-based information
- Include FbF discussion during CDP and LCCAP planning presentation
- Orient council members and LCEs on FbF



What should someone else do?

- Increase familiarity on integrating FbF into national plans
- Improve accuracy of forecasts
- Multi agency / sectoral meeting to institutionalize FbF
- Involve community for planning so they can easily adopt and understand the plan
- Present and discuss the output of this platform to DILG, DBM, other key agencies, congress, and senate in aid of legislation
- Develop / formulate legislation as back up for FbF support
- Advocate / influence policy makers
- PLGUs should encourage LGUs to integrate FbF into local plans
- National campaign
- DILG should strictly mandate all LGUs to formulate all the required plans particularly those relevant to FbF integration
- Speed up talks for solutions for the integration of FbF into financial framework
- NDRRMC / OCD to consider amendments on guidelines (ex. On the declaration of state of calamity)
- COA to clarify early action spending from LDRRMF

What should be done by the next

DIALOGUE PLATFORM ON FORECAST-BASED FINANCIAL PLANNING

in 2019?

- Invite representatives from beneficiary communities
- Involve Philippine counsellor lead (PCL)
- Present development milestones from 1<sup>st</sup> to 4<sup>th</sup> national platform and consider all issues raised for the next one
- Invite OCD, COA, PAGASA, PCL, NDRRMC, and other key agencies
- Include success stories from communities for inspiration
- Presentation of lessons learnt from an activation (if any)
- Full transparency report on where and when FbF worked and did not work
- LGUs to share how FbF was integrated in their plans
- Discussion on national standard for triggers
- Art in FbF ☺

## 9. Closing Remarks



Photo: Ms Tamara Palis-Duran, Assistant FAO Representative, Food and Agriculture Organization of the United Nations



Photo: Mr. Joseph Randy Loy delivered the message delivered on behalf of Ms. Elizabeth Zavalla, OIC Secretariat, Philippine Red Cross