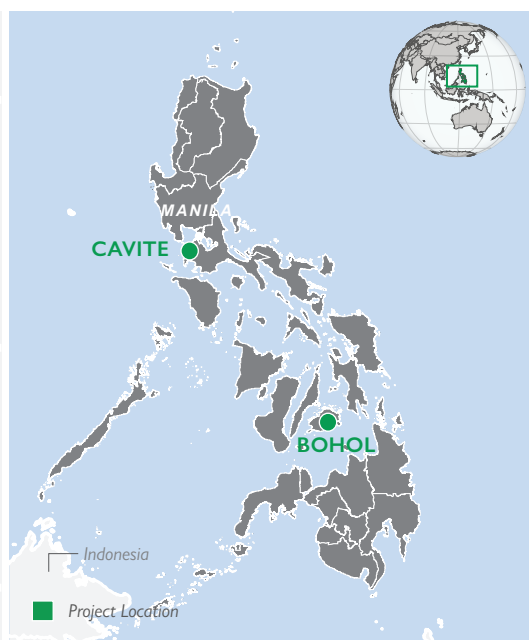


CASE STUDY

PHILIPPINES 2021–2023 / TYPHOON GONI AND RAI

KEYWORDS: Diaspora engagement, Localization, Private sector engagement, Structural assessment

<b>CRISIS</b>	<b>Typhoon Goni/Rolly (Nov 2020) and Typhoon Rai/Odette (Dec 2021)</b>
<b>PEOPLE AFFECTED/ DISPLACED</b>	<p><b>Typhoon Goni/Rolly:</b>  <b>845,000</b> individuals affected*  <b>130,266</b> individuals displaced*</p> <p><b>Typhoon Rai/Odette:</b>  <b>12 million</b> individuals affected**  <b>6,825</b> individuals displaced**</p>
<b>HOMES DAMAGED/ DESTROYED</b>	<p><b>Typhoon Goni/Rolly:</b>  <b>133,324</b> homes partially damaged***  <b>37,449</b> homes totally destroyed****</p> <p><b>Typhoon Rai/Odette:</b>  <b>1,704,086</b> homes partially damaged*****  <b>404,603</b> homes totally destroyed*****</p>
<b>PROJECT LOCATION</b>	<p>Pilot 1: Cavite, Philippines (2021)                  Pilot 2: Bohol, Philippines (2022)</p>
<b>PEOPLE SUPPORTED BY THE PROJECT</b>	<p><b>15</b> female-led HHs (Cavite)  <b>30</b> female-led HHs (Bohol)</p>
<b>PROJECT OUTPUTS</b>	<p><b>1</b> “Resilient Housing Loan” diaspora guarantor model developed with a Micro-Finance institution for retrofitting houses</p> <p><b>Orientation and trainings</b> on Build Back Safer Shelter Practices to participants and micro-finance staff</p> <p><b>45 shelters strengthened, retrofitted, and monitored</b> through issuing of “Resilient Housing Loans” (roof repair, floor renovation, wall repair, ceiling strengthening, room partition, house reconstruction, toilet room repair, etc.)</p>
<b>SHELTER SIZE</b>	<b>20 m<sup>2</sup></b> as per Sphere Standards
<b>SHELTER DENSITY</b>	<b>4 m<sup>2</sup></b> per person (average of 5 persons per HH)
<b>DIRECT COST</b>	<p>Pilot 1: <b>USD 90 – USD 445</b> per HH                  Pilot 1: <b>USD 90 – USD 535</b> per HH</p>
<b>PROJECT COST</b>	<p>Pilot 1: <b>USD 895</b> per HH                  Pilot 1: <b>USD 980</b> per HH</p>



PROJECT SUMMARY

The project conducted a successful pilot programme in the Philippines, providing retrofitting and loans for the reconstruction and repairs to the houses damaged by Typhoons Goni/Rolly (2020) and Rai/Odette (2021). An innovative financial model was developed for this project, piloting the use of remittances from the U.S.-based Filipino Diaspora as an initial guarantee for obtaining microcredits from a local Micro-Finance Institution in the Philippines. The implementing organization coordinated the different stakeholders while promoting the use of safer shelter and disaster risk reduction construction methods (through training and the provision of technical assistance during the construction works) among the female-led households selected for the programme.

\*Philippines: Super Typhoon Goni (Rolly) Humanitarian Needs and Priorities (Nov 2020 - April 2021), OCHA

\*\*Philippines: Super Typhoon Rai (Odette) - Situation Report No. 9 (As of 26 May 2022), OCHA

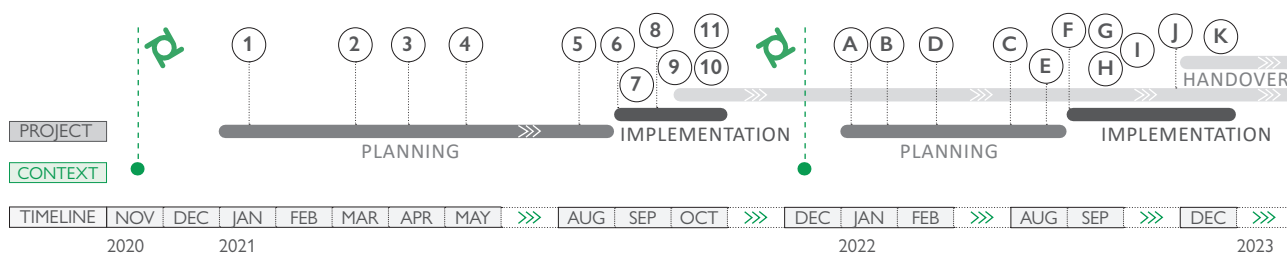
\*\*\*Shelter Cluster Strategic Advisory Group Meeting for Typhoon Rolly (November 2020)

\*\*\*\*Shelter Cluster Strategic Advisory Group Meeting for Typhoon Rolly (November 2020)

SOPs on Diaspora Engagement in Shelter Assistance



Typhoon Goni/Rolly, one of the most powerful storms in 2020, left thousands displaced in Philippines with damaged homes, no drinking water, or electricity.



- Nov 2020:** Typhoon Rolly/Goni hit Philippines amidst the COVID-19 pandemic.
- Dec 2021:** Typhoon Rai/Odette made landfall on Dec 2021 in southeastern Philippines.
- 1 A Jan 2021, Jan 2022:** Diaspora engagement and project conceptualization.
- 2 B Mar 2021, Jan 2022:** Micro-Finance Institutions (MFI) partnership selection.
- 3 C Apr 2021, Aug 2022:** Loan manual review and finalization.
- 4 D May 2021, Feb 2022:** Site identification with Diaspora, MFI and community members.

- 5 E Aug 2021, Aug 2022:** MFI staff orientation and training.
- 6 F Sep 2021, Aug-Sep 2022:** Selection of participants.
- 7 G Sep 2021, Sep 2022:** Participants orientation training.
- 8 H Sep 2021, Sep 2022:** Loan disbursement to participants and material distribution.
- 9 I Sep 2021, Sep 2022:** Shelter construction began.
- 10 J Oct 2021, Nov 2022:** Final monitoring assessment.
- 11 K Oct 2021, Dec 2022:** Handover to the MFI.

### CONTEXT

The Philippines is highly susceptible to natural hazards that affect the lives of local communities and subsequently their global diaspora. Recent decades have shown how the impacts of climate change have led to increased shocks, rising sea levels, land subsidence, precipitation, and droughts. The Philippines’ vulnerability to natural hazards requires the country to invest in significant preparedness, monitoring, and response efforts to mitigate the impact of disasters.

The Filipino diaspora is extensively connected to their country of origin, and continues to contribute through humanitarian and emergency response interventions collectively and significantly. The Filipino diaspora is among the top ten largest in the world, with many living temporarily or permanently abroad. As a middle income country, the Philippines relies heavily on its agricultural, industrial, and service sectors as well as diaspora remittances. Considering the above, the project was piloted in two communities, Cavite and Bohol, following the environmental crises that struck the Philippines in 2020 and 2021.

Cavite is a province located directly southwest of Manila, in the Calabrazon region, within Luzon. The province faces significant economic risks due to geographical hazards such as tsunamis, landslides, flooding, storm surge, and earthquakes. Bohol is a province located in the Central Visayas, and is the tenth-largest island of the Philippines.

### SITUATION BEFORE THE TYPHOONS

Before Typhoons Goni/Rolly made landfall in November 2020, the Philippines was already combatting a multifaceted crisis, including one of the highest COVID-19 transmission rates in the Asia-Pacific region. Further, many communities were still recovering from previous typhoons and tropical

storms that struck between 2019–2020, causing significant loss of life and damage to infrastructure including the destruction of 56,000 homes that left 775,000 in need of humanitarian assistance. A joint analysis of disaster exposure (JADE) conducted by UNOCHA and partners before Typhoon Goni determined that 68.6 million people lived in the exposed area, with 2.3 million persons in vulnerable situations in the areas expected to be the worst affected.

Furthermore, while minimum health protocols to prevent COVID-19 transmission needed to be reinforced, poor conditions in evacuation camps were also experienced due to a lack of WASH facilities, electricity, and cooking areas. The displacement led to the non-cultivation of agricultural land (particularly rice paddies and corn areas), which further threatened food security.



Over 2.1 million houses were damaged by Super Typhoon Rai/Odette, which affected the livelihoods of many farmers and fishermen by destroying hundreds of thousands of acres of coconut trees and crops, and damaged fishing boats.



## SITUATION AFTER THE TYPHOONS

Typhoon Goni (known in the Philippines as Super Typhoon Rolly) struck the Philippines on 1 November 2020 as a Category 5 super typhoon, with wind gusts up to 280 kilometers per hour, one of the strongest landfall of a typhoon on record. The storm killed over 6,000 people and displaced over 130,000 individuals across eight regions. The 19th storm to hit the Philippines in 2020, Typhoon Goni exacerbated the limited coping capacities of those in hardest-hit regions. Priority needs include shelter, WASH, nutrition, psychosocial support, and protection according to initial assessments.

Super Typhoon Rai, locally known as Odette, made landfall in December 2021, and was the third strongest storm recorded in the Northern Hemisphere that year. The impact of Typhoon Rai spread across several islands, damaging infrastructure, compromising access to safe water and sanitation facilities, and heightening the risk of communicable disease outbreaks and exacerbating communities' vulnerabilities – especially during the COVID-19 pandemic. Low-lying areas and vegetation farms along water tributaries and dams were flooded. With homes and vertical infrastructures as well as other properties and crops affected, livestock, poultry, and agri-fishery damaged, Bohol was declared under a state of calamity a day after the disaster struck, with a total of 290,593 homes damaged.

## NATIONAL SHELTER STRATEGY

With the approach of the typhoons, the Government of the Philippines led pre-emptive evacuations of over 480,000 people in affected areas to protect persons and infrastructure. After Super Typhoon Rai (Odette), the National Disaster Risk Reduction and Management Council (NDRRMC) Operations Center reported a total of 2,224,803 affected families, including 401 individuals reported dead, 1,261 injured and 65 missing. With this, 486 cities and municipalities declared a State of Calamity (SOC), and two million homes were reported as totally damaged.

With the scheduled national elections in May 2022, non-permitted expenditures as part of the election ban, and the change of leadership in almost all national government agencies, no further actions have been further undertaken by the government towards recovery and rehabilitation of the Typhoon Rai-affected populace.

## PROJECT DESIGN

The project aimed to increase access to safe shelters for vulnerable communities, both by: 1) increasing access to safe shelter funding opportunities by working with Micro-Finance Institutions (MFIs) and by, 2) equipping MFIs and loan recipients with Build Back Safer (BBS) knowledge through training and rebuilding evaluations by the implementing organization's shelter experts. While promoting the importance of disaster risk reduction (DRR) through skills transfer and awareness raising, it was evident that



House rebuilding process in October 2022, after Typhoon Rai.

communities wanted to incorporate safe shelter practices but did not have the financial means to bear such costs upfront. Therefore, diaspora organizations were linked with MFIs to bridge safe shelter funding gaps in vulnerable communities. This also diversified funding options for affected communities by exploring alternative diaspora funding mechanisms, which encouraged community self-reliance through a loan repayment model in comparison to the provision of grants/direct remittances.

## IMPLEMENTATION

### DIASPORA AND LOCALIZATION: PRIVATE SECTOR ENGAGEMENT

In partnership to leverage diaspora networks for safer shelters of communities in the Philippines, the implementing organization, and a US-based Filipino diaspora organization met to discuss how to increase access to safe shelters through partnerships with MFI. Once the concept for a diaspora remittance loan model was developed, both parties sought an MFI partner.

### DEVELOPMENT OF RESILIENT HOUSING LOAN

Through months of consultations and discussions on the diaspora remittance loan model with relevant stakeholders, the "Resilient Housing Loan" diaspora guarantor model was developed for retrofitting homes. The specifics of the loan and the disbursement methodology were agreed upon, and Cavite was selected as the first pilot community due to the number of homes damaged and the strong presence of the MFI in this community. Due to the success of the Cavite pilot, Bohol was selected as a second pilot community in 2022 where both the number of participants and loan amount were increased to meet rebuilding needs following Typhoon Rai. Since diaspora organizations needed to see proof of concept that this loan model worked before donating their remittances, seed funding of USD 5,000 was provided to act as a diaspora remittance pool. This allowed for lower, fixed interest rates (a key aspect of the loan) to be realized.

Participants could select loan amounts from USD 90-445 in Cavite and amounts from USD 90-535 in Bohol, both for a period of three, six, nine or 12 months.

## METHODOLOGY

In addition to the aforementioned project planning, partnership building, and loan model development, the methodology of project implementation included:

- Selection of participants via a vulnerability index.
- Orientation and training on Build Back Safer (BBS) shelter practices to micro-finance staff and participants (loan recipients).
- Fund allocation (direct to participants or direct to a vendor); Material disbursement as applicable.
- Masons provided retrofitting services under provisions and monitoring of implementing organization engineers, who returned after completion to conduct a final assessment.
- Payment monitoring and diaspora (or seed funding from the implementing organization) guarantee disbursement, as needed.

A total of 15 shelters in Cavite and 30 shelters in Bohol were strengthened, retrofitted, or rebuilt, with monitoring by shelter experts through the issuing of “Resilient Housing Loans” (from roof repair, floor renovation, wall repair, and ceiling strengthening to house reconstruction, etc.).

## TARGETING

The selection of participants was determined through a collaborative and consultative approach in a four-step process:

- **Diaspora strategy on-site identification:** The diaspora organization assisted in the identification of vulnerable households with shelter needs through its network and long-standing partnership with the MFI.
- **Vulnerability Assessment:** The organization conducted a vulnerability and needs assessment of households within the two municipalities to determine the initial participants for the program.



45 shelters were retrofitted through issuance of the Resilient Housing Loans. Homes were repaired and upgraded with monitoring and assessment throughout.

- **Client Rating Assessment:** MFI staff conducted an internal review of the beneficiary repayment ability of those selected during the vulnerability assessment. The capacity to repay through a cash flow analysis, along with meeting the vulnerability index was an eligibility factor in beneficiary selection.
- **Technical Support and Shelter Assessment:** The organizations' engineers assessed the selected shelters (all of them female-headed households) for ensuring the adequacy of the loan figure to the shelter needs.

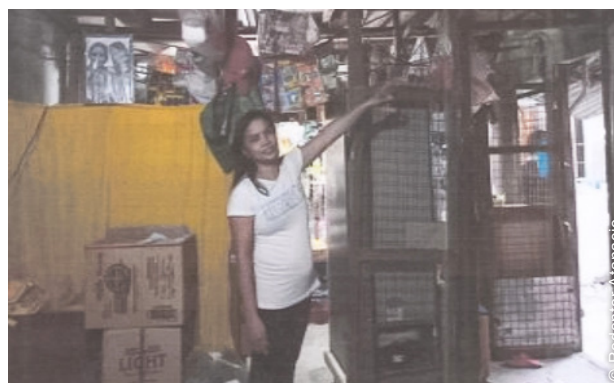
## TRAINING AND ORIENTATION

To receive the funding for shelter materials, the project's participants were required to attend a one-day orientation session on DRR practices and BBS methods in collaboration with the masons and laborers on hand. The training was led by the implementing organization's engineers, and MFI staff gave an overview of the loan package.

In parallel with training and orientation, participants accessed Information, Education, and Communication (IEC) materials developed under the project as well as ongoing consultative support from construction experts. The IEC material covered step-by-step instructions on how to better construct shelters based on international standards with risk reduction and resilience in mind. These materials were referenced by participants and the MFI staff during the construction process.

## INCREASED RESILIENCE

Because the MFI staff were also trained on DRR and BBS, they were able to provide guidance to participants when performing regular check-ins that were more frequent than monitoring provided by the organization engineers. This allowed for timely improvements and increased the capacity of MFI staff to provide such guidance to their other members and the community at large. Not only were participants supported by the MFI, but they also formed an informal community among themselves for peer-to-peer exchange that brought benefits in other areas of their lives and livelihoods. Therefore, the training and partnerships cultivated by the diaspora and the lead organization also empowered local actors such as the MFI and participants, contributing to increased community resilience through localization.



## FEMALE-LED RECOVERY

Of the initial compiled list of participants, and based on the vulnerability index criteria, the project consisted of 45 female-led households who retrofitted and rebuilt their homes promoting restored livelihood means. Many participants utilize their homes for work, for example, hair salon, garment/sari stores, etc.

## MAIN CHALLENGES

**Financial model innovation:** The financial model developed in collaboration between the Filipino diaspora and project stakeholders was novel in its nature. Project partners agreed that it would be necessary to implement a successful initial pilot phase before eliciting diaspora funding into the remittance fund. While this methodology allowed for ensured transparency and awareness-raising among the Filipino diaspora, it limited the pool of the remittance fund during the first phase, with greater diaspora fundraising to occur in the second phase. Nevertheless, the guarantee fund provided by the implementing organization lowered interest rates and demonstrated beneficiary capacity to make timely loan payments. The loan timelines varied from 3-12 months with loan payments at 12 weeks, 23 weeks, 35 weeks, 46 weeks, etc.

**Limited capacity and resources:** The pilot was implemented at a smaller scale, with 45 households in total, to determine the viability of the financial model. The maximum loan amount was limited to PHP 25,000–30,000 (USD 440-550) depending on location, and the participant's capacity for loan repayment, considering that smaller rebuilding loans will be piloted first.

## WIDER IMPACTS

The project successfully piloted the loan model and multi-stakeholder partnership, garnering interest for future iterations.

Specifically, the initiative led to several direct and indirect impacts, including:

- Access to finance for female-headed households, who, in the absence of a diaspora's guarantee might have not been able to request or be granted housing loans.
- Access to technical assistance during the retrofitting process, which was instrumental to ensure that retrofitted homes met BBS standards and are consequently more resilient to the effects of future climatic shocks.
- Increased local communities' and participants' capacity thanks to their involvement in the retrofitting process and exposure to BBS and DRR concepts and practices.
- Increased sustainability of shelters built and retrofitted, as participants were able to afford more sturdy materials (e.g., concrete) rather than less expensive materials that would need to be replaced over time (e.g., coco lumber).

- Creation of a micro-finance model that may be replicated and scaled up to benefit other affected populations. The project also provided inspiration for the use of diaspora resources to promote safer shelters and increase community resilience beyond the 1:1 household level.

Consequently, this direct engagement led to increased awareness and the project received positive feedback and the interest of several key partners, including diaspora organizations, local officials (government of Bohol), academia, and other micro-finance institutions.

## SCALING UP IN THE FUTURE

With the success of the first and second pilot phases, another iteration of the project is currently under development in the Philippines that will increase the scope of the project. The loan model will go through several rounds of revisions to accommodate the context and affected populations' needs, such as for preparedness rather than in response to a recent crisis. The financial model will be designed to adapt to crisis contexts and conditions with the hope of engaging national actors, additional local stakeholders (e.g., universities, masons, construction), and potentially other MFIs that are interested in scaling up this methodology in other regions.

In this respect, a diaspora outreach and fundraising campaign will be launched to support the funding mechanism. Further, the project seeks to increase gender and protection mainstreaming and Age, Gender, and Diversity (AGD) considerations from design through evaluation, with a continued focus on women and girls (female-led households) and the promotion of participation and inclusion of community members – especially persons in vulnerable situations. This includes building upon the orientation training to include cross-cutting components on Mental Health and Psychosocial Support (MHPSS) and Gender-Based Violence (GBV) risk mitigation in addition to the inclusion of male household members where appropriate to increase buy-in and support their efforts in the construction. Moreover, the financial model will seek to integrate ongoing, new BBS housing designs to ensure participants have options for sustainable and durable shelter solutions.



The initiative allowed female-heads of households access to finance loans.



## STRENGTHS, WEAKNESSES AND LESSONS LEARNED

### STRENGTHS

- √ **By leveraging diaspora and local partnerships**, this model provides a clear example of the importance and impact of diaspora contributions towards disaster recovery and community resilience, and the benefit of recognizing and strengthening the role that diasporas play as key partners in shelter response. Moreover, this project highlighted a successful **private-public partnership** to demonstrate the adaptive and unique roles that diasporas can play in partnership with other non-traditional local actor(s) towards the identification of alternative shelter financing and increased capacities for affected communities.
- √ **This loan model empowered affected communities** to be directly involved in their preparedness, response, and recovery contributing to a sense of agency that can be translated into longer-term buy-in and adoption of practices. Repayment rates were high, with 42 households (93 percent) on schedule and two behind on payments due to extenuating circumstances.

### WEAKNESSES

- × While a client rating assessment during beneficiary selection was recommended by the MFI to lower the risk of the pilot and ascertain initial viability, **the assessment can impact the selection of the most vulnerable members of the community**. Future iterations should explore other methods to ensure loan repayment to ensure that the most vulnerable in the society can benefit now that the pilots have proven successful.
- × As this was an initial pilot, **the scale was limited to a small number of households**. The narrow scale was imperative to test and ensure the viability of the project but meant that results and relative impact are subsequently limited. The overall visibility of the project was also low, as the proof-of-concept was being tested. Therefore, it should also be noted that the current scale of the project is cost-intensive, and it is key to understand how many households should be targeted at a minimum to ensure cost-effectiveness. Although the project was successful at a limited scale, it is essential to understand to what extent the model can be brought to a larger caseload.

### LESSONS LEARNED

- **Bridging the Community and Diaspora:** Multiple stakeholders were engaged in the project, but the main actors (diaspora and MFI) had formal partnerships through service agreements or Project Implementation Agreements with the implementing organization. The loan model itself also outlined the roles and responsibilities of each partner.
- **Diaspora contributions to localization and community resilience:** The project empowered actors at multiple levels, demonstrating how the diaspora inherently supports localization by providing assistance to local actors.
- **BBS Resources and Information:** In providing loans, participants were able to overcome financial obstacles, while the technical BBS guidance allowed them to ensure their investment was an efficient and sustainable use of their funds.
- **The need for adaptable financial models per context:** This pilot included a specific set of agreed-upon financial terms and interest rates, however, varying and flexible loan options (e.g., lower interest rates) should be explored with the diaspora to reduce the risk for both borrowers and loan agents.
- **Exploration of the uses of the diaspora guarantee:** As payments were ongoing at the time of report writing, seed funding for the diaspora guarantee had not been disbursed yet. Follow-up and future pilots are needed to explore diverse methodologies of utilizing the diaspora guarantee.

### RECOMMENDATIONS MOVING FORWARD

Future iterations of the model should include a formal evaluation to better understand outcomes and increase the effectiveness of the intervention. This can be supplemented by a monitoring report encapsulating the view of the community on the success of the approach, which can guide additional phases and help to ensure more localized approaches. Future iterations should also explore the viability of non-members, who may be more in need or vulnerable, or explore ways to increase access membership of institutions.



### FURTHER READING ON SHELTER PROJECTS

**On Philippines:** [A.20 / PHILIPPINES 2015–2017](#); [A.22 / PHILIPPINES 2018](#); [A.8 / PHILIPPINES 2013–2016](#)

**On private sector engagement:** [A.7 / SOUTH SUDAN 2017–2018](#); [A.27 / IRAQ 2017–2018](#); [A.32 / TURKEY 2017–2018](#)