



Why the Philippines is the 3rd highest risk area in the world

- Location: lies at the Western Pacific Rim and along the Pacific Ring of Fire where two major tectonic plates (Philippine Sea and Eurasian) meet
- At least 60% of the total land area is exposed to multiple hazards
- About 74% of its population is vulnerable
- 20 earthquakes per day since it lies at the Western Pacific Rim
- 19 to 20 tropical cyclones each year
- 7 volcanic eruptions in the last 50 years (21 of the 25 active volcanoes have erupted in the last 600 years)
- Frequent landslides and flooding due to reduced forest cover from past forestry activities
- 5th most at-risk country in terms of population numbers exposed to sea level rise by 2050

Ludem Molina, a farmer and former chairperson of the board of Pecuaría, tries to salvage what he can from the ruins of his poultry house, which was flattened by Typhoon Glenda. Pecuaría has been an Oikocredit partner since 2013.

Disaster resiliency – an Oikocredit policy and capacity building intervention

Prior to 2014, partners affected by natural disasters were supported by Oikocredit through a solidarity fund; in cases where the effect of the calamity was severe, existing loans could be rescheduled and calamity loans extended to help partners recover.

At least 10 partners in the Philippines have been provided with solidarity funds since 2011, six of which after the onslaught of super typhoon Haiyan in 2013. Six partners were also sent to a Microfinance and Disaster Management workshop organized by Banking with the Poor Network in 2012.

In 2014, Oikocredit's environmental policy incorporated a provision for Natural Disaster Management (Principle IV), which mandated it to 'contribute to an increased level of disaster preparedness of our project partners to meet recent and future challenges as a consequence of climate change'. This sharpened Oikocredit Southeast Asia's intention to focus more on building the capacities of institutional partners for disaster preparedness and resilience.

Oikocredit International chose the Philippines as the pilot area for natural disaster management; should the engagement prove successful, the capacity building support was to be rolled out in other countries in Southeast Asia.

The objectives of the pilot are to contribute to an increased level of disaster preparedness of Oikocredit partners to meet

recent and future challenges from climate change; to support them in establishing their own strategy in order to reduce risks and thereby, Oikocredit's risks; to ensure business continuity in the face of climate change; and to refine and tailor Oikocredit's response to partners in disaster situations.

Oikocredit Southeast Asia partnered with Corporate Network for Disaster Response for the pilot training, which was conducted in three parts:

- Enhancement of disaster preparedness systems and procedures of Oikocredit partners in the Philippines (30 September – 2 October 2014);
- Business Continuity Management to guide selected Oikocredit partners to draft a Business Continuity Plan to serve as their recovery plan following a disaster (6 - 7 November 2014)
- Business Continuity Plan refresh, test, review and consultation for an Oikocredit partner (3 - 5 February 2015).

After completion of the pilot, the training design was revised and is being rolled out in the Philippines, Cambodia, Vietnam and Indonesia by a team of experienced DRRM consultants.

The process is discussed in the following pages.

¹ CNDR is a network of business groups, associations, corporations and corporate foundations whose objective is to rationalize and institutionalize disaster management efforts of the business community. Its mission is to help build the capacity for disaster resilience of the business sector and Filipino communities.



Oikocredit workshop on Business Continuity Management (BCM), 6 - 7 November 2014: six partner organizations were mentored on preparing their Business Continuity Plans (BCPs).

Disaster Resiliency Roadmap



As designed for Oikocredit partners in the Philippines, the process of building disaster resiliency begins with helping them to gain a deeper understanding of the nature of disasters and how vulnerable the organization is to these, then preparing, dry-testing and executing the contingency

and business continuity plans, and finally monitoring and reviewing these plans for gaps and further improvement (see Roadmap). The process is cyclical; plans have to be reviewed and revised according to changing situations (refer to page 5 for the training design).

Enhancing disaster resiliency among Oikocredit partners

Oikocredit’s DRRM consultants noted that for partners just beginning to engage in disaster resiliency management, the process may take from six months to one year, since everybody in the organization will need to get involved, including the families of both staff and clients. The disaster resiliency framework also takes a ‘whole of society approach’ – Oikocredit partners will have to coordinate with local government units and agencies, civil society groups, schools and churches in areas in which they operate to ensure the safety and rehabilitation of all stakeholders.

Over time, disaster resiliency management will hopefully become embedded in the consciousness of people in the organization, in the organization’s plans and strategies, policies, structures, programs and resource allocation/ financial management.

Part 1: Understanding the nature of disasters

Before the MFI or social enterprise can create its contingency and business continuity plans, it must prepare and analyse two sets of information:

1. Data on the environment:

- Government generated geo-hazard maps to show areas prone to flooding, flash floods, landslides and riverbank erosion (classified as low, moderately or highly susceptible)

- First-hand information on local danger spots such as areas prone to landslide, sinkholes and flash floods, etc.
- The DRRM or any disaster-related plans and offices of the local government units in the areas where the MFI/ social enterprise operates.

Data on the environment will be used to produce a hazard map for the area where the MFI or social enterprise operates. Hazards are ranked based on severity and frequency.

2. Data on the organization:

- An assessment of its strengths, weaknesses, opportunities and threats (SWOT matrix), organizational structure, functions, and an inventory of its resources (financial and material)
- Client profile, including their location.

An assessment of the organization as well as its clientele would show how strong or vulnerable the organization and its clients are in terms of withstanding disasters and the damage these bring about. This will be an input for the risk assessment of the organization and its clients or members.

The hazard map and risk assessment are the inputs for preparing the contingency and business continuity plans of the partner organization. The table below shows an example of the hazards identified and their possible impact prepared during a workshop by Abrasa Multipurpose Cooperative, an Oikocredit partner based in the northern Philippines.

AMPC		
Description of threats and potential impact in critical areas of operation		
Hazards	Potential impact/threats to area of operation	Impact on the cooperative’s operations
Typhoon <ul style="list-style-type: none"> • wind with heavy rains (extended for more than 2 days for rainfall at 15-30 mm/hr and 80 kph wind) 	<ul style="list-style-type: none"> • damage to crops (production yield, poor quality of grain, lower income or even losses) • damage to or loss of livelihood projects • damage to property/displacement (houses, infrastructure, equipment, machinery) 	<ul style="list-style-type: none"> • low collection of loans and income • damage to coop properties and facilities
Drought	<ul style="list-style-type: none"> • damage to crops (low production yield) • abnormal cropping pattern • damage to livelihood/projects 	Low collection <ul style="list-style-type: none"> • decrease in sales • decrease in loan releases • lower income

Training design: disaster management workshop to increase resilience of Oikocredit partners in Southeast Asia

Training in Disaster Risk Reduction and Management (2 days)	Business Continuity Planning (3 days)
<p>Learning Objectives To be oriented on DRRM concepts and principles and practical tools, and trained to prepare the contingency map</p>	<p>Learning Objectives To be trained on the fundamentals of business continuity planning, the process of business impact analysis and different types of testing to check the effectiveness of the plan</p>
<p>Content/Training Modules</p> <p>Hazard Awareness Hazards, their effects, impact and relevant countermeasures</p> <p>DRRM Overview Overview of the disaster risk reduction and management framework: prevention, preparedness, response and rehabilitation</p> <p>Simplifying Risk Assessment Practical risk assessment procedures and hazard-mapping exercises</p> <p>Contingency Planning Developing a contingency plan with a warning plan, communication protocols and hazard-specific procedures</p>	<p>Content/Training Modules</p> <p>Business Continuity Management System Awareness (ISO 22301:2012) Introduction to BCM concepts, principles and benefits and the PDCA cycle</p> <p>BCP Framework BCP Purpose, Scope and Team</p> <p>Lifeline Businesses and the Risks (Business Impact Analysis) Identification of critical business processes and resources and their recovery time objectives</p> <p>Survival Strategies (Plan Development and Recovery Strategies) Business Continuity strategies formulation and organization of BC team</p> <p>Testing of BCPs Exercising and testing your plans to ensure its functionality</p> <p>PDCA Continuous Improvement Steps on how to review and check plans for improvement</p>
<p>Methodology Draft contingency and business continuity plans will be finalized by the participants. Post-training mentoring will be provided by consultants for Cambodian, Vietnamese and Indonesian partners via internet and by coaching visits (by major island groups) in the Philippines.</p>	<p>Methodology Draft contingency and business continuity plans will be finalized by the participants. Post-training mentoring will be provided by consultants for Cambodian, Vietnamese and Indonesian partners via internet and by coaching visits (by major island groups) in the Philippines.</p>
<p>Outputs</p> <ul style="list-style-type: none"> • DRRM Gap Assessment of each participating organization • Hazard maps, risk maps, population-at-risk inventory, DRRM action plans • Warning criteria, communication protocol and evacuation procedures • Draft hazard-specific contingency plans 	<p>Outputs</p> <ul style="list-style-type: none"> • Formulation of business continuity policies (purpose, scope and team) • Business Impact Analysis form filled, list of prioritized activities, Recovery Time Objectives defined • Risk Assessment form filled • Recovery strategies, Call Tree, Organization of BC Team • Crisis management plan and emergency plan • Management review procedures • Draft Business Continuity Plans

Part 2: Contingency planning

Template for contingency plan
Organizational profile
Hazard information
Description of threats and potential impacts in critical areas of the company
Objectives
Strategies for the following: <ul style="list-style-type: none"> • Structure and functions (pre-, during and after) • Warning system • Communication protocol • Evacuation criteria and procedures • Emergency transport system • Back-up medical emergencies • Internal and external emergency security • Resource mobilization and emergency fiscal administration
Establishment and management of emergency operation center
Internal and external DRR policies and regulations

The Contingency Plan (CP) is created after an assessment of the hazards and risks posed by a possible disaster. The CP addresses only the hazards and risks that are most critical in terms of frequency and severity.

The template on the left shows that the CP is not merely a plan of action. DRRM objectives must be clear to all. Warning systems and communication protocols and DRRM structure and functions and other systems must be defined beforehand.

The plan needs to be backed up by policies and regulations. Contingency funds and hardware (such as vehicles and equipment and facilities) will need to be allocated in advance to carry out the plan. The commitment and participation of the partners' board of directors and top management are thus important in crafting the CP and in its execution.

Below is a section of the CP drawn up by Oikocredit partner SOEMCO during the workshop. SOEMCO operates in the island province of Surigao de Norte in Mindanao.

SOEMCO DRRM strategies	
Warning system	The coop shall adopt the warning system of the municipal government.
Communication protocol	Only communication from valid sources shall be sought. The DRRM chairperson shall keep employees in different branches posted on the latest information and issue guidelines/instructions to them. For effective, coordinated and responsive actions, each branch must have their own contingency plan in consonance with this CP.
Emergency transport system	Soemco's vehicles and drivers shall be utilized to help out in the operation. The coop shall also procure a fast, sturdily-built, all-weather sea ambulance for the all-important seaborne transport service.
Resource mobilization and emergency fiscal administration	A trust fund shall be set up coming from a certain % of the Community Development Fund. This fund will be allowed to accumulate for five years, after which the board of directors may opt to allocate some of it to other expenditure items. When a storm warning is raised and disaster is imminent, the Finance Officer will make available to the branches a certain amount, to be charged to the fund, that the staff can utilize to fund relief and survival requirements during and after the typhoon.
Some internal and external DRR policies and regulations	All employees must attend a seminar on DRRM and keep an emergency/survival kit at home. Important records and computers must be secured when a typhoon is imminent. During emergencies, all employees must present themselves in the operation center for any instruction/action to take and do whatever they can to help. In all instances, the lives and properties of the employees' respective families must be secured first before they can be of use effectively in DRR efforts.

Part 3: Business Continuity Plan

The BCP's main purpose is to address a disaster's impact and implication on the business side of the organization. Since the BCP will serve as the organization's recovery plan, it should proceed from a risk assessment of its internal weaknesses and vulnerabilities as well as strengths. If an MFI, for instance, is financially weak when a disaster strikes, its recovery plan would at the outset greatly differ from an MFI which is financially stable. The following are some key questions that the Business Continuity Plan should address:

- Which critical functions/departments can be affected by the disaster?
- Which services should resume within one week's time? Which services are critical?
- What strategies can be adopted to continue the work/ resume critical services?
- How much loss can the organization afford to absorb if it becomes non-operational for a week/two weeks/ a month?

All departments or units should be involved in making the BCP, particularly the following:

- Board of directors (for issuing policies such as the creation of the DRRM committee and DRRM reserve fund).
- Departments of Finance (for financial projections), Human Resources (for personnel deployment), Operations/Credit (for resumption of services) and IT (for protection of data and keeping the system going).

For big MFIs and cooperatives, a BCP for each branch is suggested if the hazards and risks vary from branch to branch.



Ormoc City the day after super typhoon Haiyan; OCCCI's laboratory and medical clinic (yellow one-storey building) is completely damaged.

Part 4: Testing & implementing, monitoring & reviewing plans

The BCP is run through a dry-test to check whether the most appropriate preparations and preparedness response options have been chosen. Under the guidance of DRRM/BCP consultants, the plans are run against possible scenarios using tools such as the PCDA (plan-check-do-act). The purpose of the tests is to validate the plans, to gauge how well the staff knows their BC plans, and to identify changes and alternatives before the plans are carried out.

In the event that any disaster does occur, it is important that a team in the organization monitors how the plans are executed so as to identify further improvements to help the organization become more efficient in dealing with calamities. General plans can be made more specific and adapted to the different situations in the branches of MFIs and cooperatives.

Investing time, effort and resources on the contingency and BCP plans can pay off in terms of reducing damage to lives and property if a major disaster occurs. Partner organizations should communicate the contingency and business continuity plans to all personnel, and regularly refine, review and adapt these to changes that take place over time.

Part 5: Results and outcomes for partners

Two partners had the chance to execute their contingency plans a few months after attending Oikocredit's disaster resiliency training.

Metro Ormoc Community Multi-Purpose Cooperative (OCCCI) is no stranger to calamities. More than half of its branches in the Visayas were severely affected by super Typhoon Haiyan in November 2013. A board director and one branch staff member died during the storm surge.

Barely a month after the BCP training in November, Typhoon Ruby, the second strongest tropical cyclone in 2014, made landfall in the Visayas as a category 3 typhoon with maximum sustained winds of 165 km/hr, weakening as it left the Philippine area of responsibility.

Although OCCCI had put in place some disaster preparedness measures in the wake of Typhoon Haiyan, "The DRRM and BCP trainings sponsored by Oikocredit helped us to secure ourselves," said Fr. Elmo Manching, chairperson of OCCCI's Board of directors. OCCCI's board had approved the contingency and business continuity plans drafted during the training and passed resolutions to make the plans operational.

"The plans had been disseminated to the branches, so people did not panic and knew what to do, like how much funds to prepare and the evacuation plan to be followed just in case," Fr. Elmo added. "On the day Typhoon Ruby struck, files, equipment and cash had been secured and nobody was allowed to report to the office. OCCCI personnel were deployed to monitor the situation right after." Typhoon Ruby left minimal damage as it had weakened upon landfall.

"The learnings from the Oikocredit trainings capacitated us to move forward and to face more confidently these things that may happen," Fr. Manching said.

Abrasa Multipurpose Cooperative braced for Typhoon Dodong, which passed over Northern Luzon on 10 May 2015 as a Category 4 super typhoon. It hit land at 195 km/hr and badly affected the neighboring provinces of Cagayan and Isabela. Quirino, Abrasa's home base, was somehow spared and only experienced light rains.

With the government weather service predicting heavy damage to light houses and crops, Abrasa mobilized three days before the typhoon, based on the contingency plan it had completed after the disaster resilience training. Members were instructed to secure the roofs of their homes and stock up on food and basic necessities. Seed, grain and agricultural supplies in four Abrasa outlets were also protected against possible damage.

Having suffered damage from Typhoons Pedring and Quiel in 2003, Abrasa had a simple disaster management plan in place. However, among the distinct advantage of participating in the disaster resiliency training was having completed the cooperative's contingency and business continuity plans. "One of the things that helped us was a clear plan to execute and a directory of government and non-government agencies to contact for emergency and relief assistance," said Rex Timor, human resource officer of the cooperative. Previous relief responses tended to be spontaneous, depending on things that first came to mind.

Rex said that they are further refining the contingency plan: "This does not stop at a single phase. We will continue to face challenges from climate change, and will have to continue learning and trying to be more efficient in meeting such challenges."

Quirino has two disasters recurring alternately each year: typhoons in the wet season and drought during the dry spell.