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Investing in rural people

Results of the Executive Board vote by correspondence regarding a proposed grant under the country-specific grants window to the Republic of the Philippines for the Rapid Response to Post Typhoon Haiyan Agriculture Rehabilitation Programme

Note to Executive Board representatives

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For: Information

Results of the Executive Board vote by correspondence regarding a proposed grant under the country-specific grants window to the Republic of the Philippines for the Rapid Response to Post Typhoon Haiyan Agriculture Rehabilitation Programme

1. At its 110th session in December 2013, the Executive Board decided to approve a proposed grant under the country-specific grants window to the Republic of the Philippines for the Rapid Response to Post Typhoon Haiyan Agriculture Rehabilitation Programme (herewith attached) by correspondence, in accordance with rule 23 of the Rules of Procedure of the Executive Board (Voting by Correspondence), in order to fully utilize funds available in the 2013 programme of work and to respond as quickly as possible to mitigate the human and economic impact of Typhoon Haiyan on the IFAD target group by restoring their livelihoods. Members and alternate members were requested to submit their vote on the proposal by correspondence by midnight (Rome time) on 31 December 2013.
2. As of the close of voting, the number of votes required for validation had been received, as well as those necessary to approve the grant. Under rule 23 of the Rules of Procedure of the Executive Board, a vote is considered valid if replies are received from members having at least two thirds (2,855.814) of the total number of votes in the Executive Board (4,283.722). Under rule 19.1, all decisions of the Board are to be taken by a majority of three fifths of the votes cast, provided that such majority consists of more than one half of the total votes in the Executive Board.
3. Replies constituting 4,273.033 votes (approximately 99.75 per cent of the total of 4,283.722) were received from Executive Board members or their alternates by the prescribed deadline. All votes received were in favour of the proposal.
4. Thus, the Executive Board has approved the proposed grant under the country-specific grants window to the Republic of the Philippines for the Rapid Response to Post Typhoon Haiyan Agriculture Rehabilitation Programme upon such terms and conditions as shall be substantially in accordance with those presented in the attached document.

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Enabling poor rural people
to overcome poverty

President's report on a proposed grant under the country-specific grants window to the Republic of the Philippines for the Rapid Response to Post Typhoon Haiyan Agriculture Rehabilitation Programme

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For: Approval

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Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed country-specific grant to the Republic of the Philippines for the Rapid Response to Post-Typhoon Haiyan Agriculture Rehabilitation Programme, as contained in paragraph 9.

President's report on a proposed grant under the country-specific grants window to the Republic of the Philippines for the Rapid Response to Post-Typhoon Haiyan Agriculture Rehabilitation Programme

I submit the following report and recommendation for a proposed grant under the country-specific grants window to the Republic of the Philippines in the amount of SDR 2.64 million (approximately US\$4.05 million).

Part I – Introduction

1. This report recommends the provision of IFAD support to the programme of the Republic of the Philippines.
2. The document of the grant for approval by the Executive Board is contained in the annex to this report:
Rapid Response to Post-Typhoon Haiyan Agriculture Rehabilitation Programme
3. The objectives and content of the programme are in line with the evolving strategic objectives of IFAD and the Fund's policy for grant financing.
4. The overarching strategic goal that drives the Revised IFAD Policy for Grant Financing, which was approved by the Executive Board in December 2009, is to promote successful and/or innovative approaches and technologies, together with enabling policies and institutions, that will support agricultural and rural development, empowering poor rural women and men in developing countries to achieve higher incomes and improved food security.
5. The policy aims to achieve the following outputs: (a) innovative activities promoted and innovative technologies and approaches developed in support of IFAD's target group; (b) awareness, advocacy and policy dialogue on issues of importance to poor rural people promoted by, and on behalf of, this target group; (c) capacity of partner institutions strengthened to deliver a range of services in support of poor rural people; and (d) lesson learning, knowledge management and dissemination of information on issues related to rural poverty reduction promoted among stakeholders within and across regions.
6. The proposed grant is in line with the IFAD grant policy goal of supporting agricultural and rural development, thereby contributing to the achievement of IFAD's overarching goal – that poor rural women and men in developing countries are empowered to achieve higher incomes and improved food security. The grant will contribute to output 3 of the grant policy by strengthening the capacity of the Government of the Philippines to deliver services to the rural poor. The objectives and content of the programme are in line with the strategic objectives of IFAD and the IFAD Policy on Crisis Prevention and Recovery, approved by the Executive Board (April 2006), which provides the legal framework and criteria for IFAD engagement and cooperation with national authorities and coordination with other bilateral and

multilateral development partners and civil society organizations. The proposed programme is consistent with the IFAD crisis prevention policy in that it will:

- (i) support the development and restoration of livelihoods of the Fund's target population, particularly those based on the agricultural and rural sectors;
- (ii) support recovery of agricultural production capacity, enhance food security and help build the capacity of rural poor people to cope with future crisis by rebuilding their asset base and social capital;
- (iii) mitigate the impact of natural disasters on the social, human and physical capital of the rural poor and manage risk; and
- (iv) restore as rapidly as possible the social, economic and human development process and subsequently enhance it as necessary.

7. The programme is IFAD's first response to the Government's Yolanda¹ Post-Recovery and Rehabilitation Plan (PRRP) to mitigate the human and economic impact of Typhoon Haiyan on the IFAD target group and restore the livelihoods of the affected farmers and local communities in the Eastern Visayas (region VIII) and Western Visayas (regions VI) during the transition from short-term recovery to longer-term rehabilitation and development.
8. The proposed programme is fully aligned with the Government's PRRP and the Yolanda Recovery and Reconstruction Plan of the Department of Agriculture, which is the proposed lead agency for the grant. Coordination with other development agencies will be ensured through the Humanitarian Country Team of the United Nations and its Haiyan Action Plan and the Yolanda recovery and reconstruction efforts of the Department of Agriculture.

Part II – Recommendation

9. I recommend that the Executive Board approve the proposed grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the Rapid Response to Post-Typhoon Haiyan Agriculture Rehabilitation Programme, shall provide a grant not exceeding two million six hundred and forty thousand special drawing rights (SDR 2.64 million) to the Republic of the Philippines for a 13-month programme upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board herein.

Kanayo F. Nwanze
President

¹ Typhoon Haiyan is referred to as Typhoon Yolanda in the Philippines.

Rapid Response to Post-Typhoon Haiyan Agriculture Rehabilitation Programme

I. Background

10. The Philippines is one of the most disaster-prone countries in the world. An average of 20 typhoons hit the country annually, triggering landslides, flash floods, mudslides and widespread flooding, and damaging or destroying homes, public infrastructure and the agriculture sector. The landfall of super Typhoon Haiyan on 8 November 2013 devastated 16 provinces in western, central and eastern Philippines. Typhoon Haiyan is the strongest typhoon recorded in history. On 11 November 2013, the President of the Philippines declared a state of national calamity. It is estimated that more than 13.2 million people have been affected, mostly in Eastern Visayas (region VIII) and Western Visayas (region VI). The reported death toll is already over 5,000 and over 1,600 people are still missing. About 1.1 million homes were destroyed and over 3.43 million people displaced. The agriculture and fisheries sectors are among the hardest hit. Initial estimates show that more than 200,000 farming and fisheries households, or about 1.0 million people, have suffered losses of crops and assets. Initial estimates suggest that 154,000 hectares (ha) of farmland have been damaged, including 77,000 ha of rice crops, 21,000 ha of maize, and thousands of hectares of other high-value crops, along with losses of livestock, poultry and fisheries. Irrigation systems, storage facilities and fishing vessels have also been damaged. Total losses in the agriculture sector are estimated at US\$225 million in the affected areas and national rice imports are expected to increase by 20 per cent in 2014 to make up for the shortfall in local production.
11. So far, the emergency response from the international community has mainly focused on humanitarian relief. Resources mobilized are largely earmarked for resettlement, rehabilitation of housing, public infrastructure and clearing debris on farmland. The Food and Agriculture Organization of the United Nations (FAO) and Oxfam are in the process of sourcing and distributing around 20,000 bags of certified rice seeds to help farmers resume their farming activities in the cropping season of December 2013-April 2014. The Government has prepared a Yolanda Post-Recovery and Rehabilitation Plan (PRRP) for coordinated assistance in the devastated regions. At a meeting on 28 November 2013 with development partners (including IFAD), the Government outlined the three phases of the PRRP: (i) immediate humanitarian response – currently under way; (ii) a short-term recovery phase to take place from now to the end of 2014; and (iii) a medium-term phase from January 2015 to December 2017 with larger investments to rebuild social and physical capital and infrastructure and restore livelihoods. Preliminary government estimates show that the PRRP financial requirements will be at least US\$2.6 billion and the funds presently available fall far short of the extensive resources needed. Rehabilitation of damaged agricultural infrastructure and systems will need large-scale investment – currently estimated at US\$170 million over the short to medium term for farm debris clearing; cutting and replacing of felled fruit trees; distribution of seeds, fertilizer and farm tools; de-silting of irrigation canals; and replacement of tractors, boats and fishing gear.
12. An IFAD mission visited the Philippines in November/December 2013 to discuss options for a rapid deployment of IFAD assistance in response to Typhoon Haiyan. Consultations were held with the concerned government agencies on priority areas, and the mission met with other development partners for potential cooperation in the post-recovery and reconstruction efforts. On 4 December 2013, the Department of Finance of the Philippines sent a request to IFAD for assistance in the implementation of the PRRP, focusing on rehabilitating the agriculture sector and restoring the livelihoods of the affected farmers and local communities in Eastern Visayas and Western Visayas, particularly during the transition from short-term

recovery to longer-term rehabilitation and development. Specifically, the Government proposed that IFAD assist in securing sufficient quantities of good quality certified rice seeds and fertilizer in time for the April-June 2014 cropping season in order to restore the livelihoods of IFAD's target groups. IFAD also discussed options with the Government for contributing to medium-term livelihood support under the PRRP, through new loans, reallocations from ongoing operations, or additional financing. On this basis, IFAD prepared the proposed Rapid Response to Post-Typhoon Haiyan Agriculture Rehabilitation Programme.

II. Rationale and relevance to IFAD

13. The proposed grant conforms to the second objective of the IFAD Strategic Framework 2011-2015 which addresses access for poor rural women and men to services to reduce poverty, improve nutrition, raise incomes and build resilience in a changing environment. The proposed grant is fully in line with the IFAD Policy on Crisis Prevention and Recovery (2006) and the IFAD Guidelines for Disaster Early Recovery (2011); including compliance with the principles and conditions for IFAD engagement and the IFAD approach in post-crisis situations. The grant is of particular relevance to the IFAD country programme given that the typhoon has affected the target areas of two ongoing IFAD programmes, i.e. Rapid Food Production Enhancement Programme (RaFPEP) and the Rural Microenterprise Promotion Programme. The livelihoods of IFAD's target groups have been severely affected, and urgent assistance and early recovery interventions are required from IFAD in order to mitigate the human and economic impact of the typhoon.

III. The proposed programme

14. The goal of the programme is to contribute to food security and sustained staple food production by rice-based smallholder farmers affected by Typhoon Haiyan in regions VI and VIII. The programme's objective is to enable rice-based smallholder farmers affected by Typhoon Haiyan in regions VI and VIII to jump start resumption of rice production in the cropping season of April-June 2014 and restore their livelihoods.
15. The target group consists of around 75,000² rice-based smallholder farmers affected by Typhoon Haiyan in Eastern (region VIII) and Western Visayas (region VI), covering around 63,000 ha of rice farmland, equivalent to around 90 per cent of the estimated total affected area in the two regions. Priority will be given to farmers with small landholdings.
16. The programme will be of a 13-month duration and will comprise one component, i.e. procurement and distribution of production inputs of good-quality certified rice seeds and fertilizer. The programme will purchase and distribute around 63,000 bags of good-quality certified rice seeds (40 kg per bag) and 63,000 bags of fertilizers (i.e. urea, 45 kg per bag) as production inputs for the affected rice-based farmers in regions VIII and VI for their cropping season of April-June 2014. Distribution will be based on one bag of certified rice seeds and one bag of fertilizer per hectare.

IV. Expected outputs and benefits

17. In terms of outputs and benefits, it is expected that around 75,000 rice-based smallholder farmers affected by Typhoon Haiyan in the two target regions will be able to restore their annual staple food production (of rice) to the pre-typhoon level in 2012.

² It is estimated that about 75,000 rice-based farmers are living on these 63,000 ha, with an average landholding of 0.8 ha per household in region VIII and 1.0 ha per household in region VI.

V. Implementation arrangements

18. The Department of Agriculture (DA) will be the lead agency of the proposed programme. The DA regional field office (DA-RFO) in each region will be responsible for programme implementation in the provinces of the respective regions, in collaboration with the Local Government Units (LGUs). The National Programme Steering Committee (NPSC) established for the ongoing RaFPEP programme will provide policy direction for programme planning and implementation. The RaFPEP programme coordination office (PCO), headed by a programme coordinator, will be responsible for the programme coordination and management. The PCO will act as secretariat to the NPSC and provide administrative and technical support thereto.
19. The proposed institutional and implementation arrangements and monitoring and coordination mechanisms will follow those of the ongoing RaFPEP programme, which has government systems, procedures and staff in place for fast delivery of the urgently needed assistance to the affected farmers and communities. The financial management arrangements will also follow those of the RaFPEP programme in terms of systems, procedures, reporting standards, and audit arrangements will be in accordance with the IFAD Guidelines for Project Audits. For the flow of funds, the Department of Finance will open a designated account exclusively for the grant proceeds in the Bureau of Treasury. It is anticipated that the first disbursement from the grant account will be large (approximately US\$3.85 million) to facilitate the purchase of seeds and fertilizers in time for the planting season.
20. As part of the more in-depth needs and damage assessment planned by the DA over the next two months, DA in cooperation with the DA-RFOs and LGUs in the two target regions will identify the number, area of landholdings and location of rice-based farmers affected by Typhoon Haiyan to prepare master lists of eligible recipients of the production inputs. Clean-up of the rice fields, irrigation systems and warehouses is under way and will be completed prior to the implementation of the proposed programme. An inception report will be approved by the NPSC prior to implementation, which will include the detailed implementation plan, institutional arrangements, selection criteria for beneficiaries, and work, procurement and financial plans. The general guidelines of the DA Rice Programme for the rehabilitation of rice areas damaged by calamities will be adopted with modification for the implementation of the grant-financed activities.

VI. Indicative programme costs and financing

21. The estimated programme costs are about US\$4.137 million. IFAD will finance SDR 2.64 million (approximately US\$4.05 million) through the proposed grant, and the government counterpart contribution will be US\$86,700. The IFAD grant will finance the costs of purchase and delivery of certified rice seeds and fertilizer net of taxes, while the Government will finance programme management and monitoring and evaluation-related costs. The category of expenditures for the IFAD grant will be summarized in the financing agreement as goods, services and inputs. The financing plan is shown in the table below.

Financing plan

(Thousands of United States dollars, amounts are indicative)

<i>Number</i>	<i>Cost Item*</i>	<i>IFAD</i>	<i>Government</i>	<i>Total</i>
1	Purchase of seeds	1 972	-	1 972
2	Purchase of fertilizer	2 078	-	2 078
3	Programme management	-	52	52
4	Monitoring and evaluation	-	35	35
	Total	4 050	87	4 137

*Type of expenditure is indicative only and may be modified, as appropriate, to suit recipient accounting structures.

Results-based logical framework

Objectives-hierarchy	Objectively verifiable indicators	Means of verification	Assumptions
Programme Goal			
Contributing to food security and sustained staple food production by rice-based smallholder farmers affected by typhoon Haiyan in Regions VI and VIII.	By 2016 <ul style="list-style-type: none"> Annual staple food production of rice restored in Regions VI and VIII to the level of 2012 prior to Typhoon Haiyan. 	<ul style="list-style-type: none"> Bureau of Agricultural Statistics (BAS) report. Poverty Incidence and Threshold Survey of the National Statistical Coordination Board (NSCB). 	
Programme Objective			
Rice-based smallholder farmers affected by Typhoon Haiyan in Regions VI and VIII able to jump start resumption of rice production in the cropping season of April-June 2014 and restore their livelihoods.	April-June 2014 <ul style="list-style-type: none"> About 75,000 rice-based smallholder farmers affected by Typhoon Haiyan in Regions VI and VIII replanted their paddy farms with good quality certified seeds and fertiliser. 	<ul style="list-style-type: none"> BAS Report. Annual Outcome Survey, 2014/2015. Remote sensing. 	<ul style="list-style-type: none"> Extreme weather conditions will not prevail.
Programme Activities			
Certified inbred paddy seeds procured and distributed to paddy farmers affected by Typhoon Haiyan.	<ul style="list-style-type: none"> Around 63,000 bags of certified inbred seeds received by around 75,000 paddy farmers affected by Typhoon Haiyan in Regions VI and VIII. 	<ul style="list-style-type: none"> LGU Report. DA Regional Report. 	<ul style="list-style-type: none"> Sufficient supply of certified inbred seeds available from both in and outside Regions VI and VIII. LGU operations from municipal to barangay levels functional.
Fertilizers procured and distributed to paddy farmers affected by Typhoon Haiyan.	<ul style="list-style-type: none"> Around 63,000 bags of fertilizers received by around 75,000 paddy farmers affected by Typhoon Haiyan in Regions VI and VIII. 	<ul style="list-style-type: none"> LGU Report. DA Regional Report. 	<ul style="list-style-type: none"> Sufficient supply of fertilizers available from both in and outside Regions VI and VIII. LGU operations from municipal to barangay levels functional.