ENSURING SUSTAINABILITY IN THE NEW DEVELOPMENT BANK AND THE ASIAN INFRASTRUCTURE INVESTMENT BANK

Alex Mourant, Douglas Emeott, Jagabanta Ningthoujam, Jasmin Yu
• Introduction
• Key Findings
• Conclusion
Introduction

• Increasing prominence of emerging economies

• New international financial institutions: BRICS-led New Development Bank (NDB) and China-led Asian Infrastructure Investment Bank (AIIB)

• Alternatives to U.S./Europe-dominated Bretton Woods institutions and Japan-dominated Asian Development Bank

Source: Author
AIIB – growing traction and increasing membership base

Source: WRI
What are the implications for social and environmental safeguard policies and operational sustainability in these new institutions?
CONTENT

• Introduction

• Key Findings

• Conclusion
Views on the current status of the safeguard policies

1. Social and environmental safeguards remain 'net-beneficial' and essential for development finance.

5. Current safeguards have been adequate in ensuring protection of local social and environmental standards.

4. Geographic, political, social, and economic contexts determine how well safeguards are implemented.

2. Social and environmental safeguards are usually successfully implemented.

3. Strict enforcement of safeguards does not necessarily delay larger infrastructure development projects.

Source: Authors
Views on emergence of the AIIB and the NDB

There is enough room for new development banks in the current development financing space.

The NDB and the AIIB can positively influence the progress of development finance.

There is a risk of a "race to the bottom" due to the new actors coming into the development finance space.

The creation of NDB and the AIIB could result in the harmonization of safeguard policies.

The NDB & the AIIB can be complementary to existing development finance institutions.

Source: Authors
CONTENT

- Introduction
- Key Findings
- Conclusion
Conclusion

The NDB and AIIB:

• Appears unlikely to circumvent safeguard policies completely

• Could adopt or, at least, draw inspiration from existing best practices at existing MDBs

• Should adequately consider and adopt strong safeguard policies that incorporate accountability mechanisms to help affected parties file grievances and ensure adequate safeguard implementation

As membership in these institutions increase, the need for cooperation and transparency grows, illustrating a promising move towards a larger voice of shareholders with vested interests and, ultimately, strong safeguards

Source: Author
Future research questions

- Will the new institutions use existing MDB safeguard policies as a model, or will they create something entirely new?

- How will the involvement of traditional donor countries in the AIIB affect consideration of social and environmental risks?

- What type of accountability mechanisms, if any, will these new institutions build?

- How will the new institutions overcome the challenge of ensuring effective implementation of written policies?

Source: Author
THANK YOU
APPENDIX
The Asian infrastructure investment bank (AIIB)

- China-led multilateral development bank for infrastructure project finance in Asia region
- Authorized capital US $100 billion (China $50 billion)
- Charter and regulations to be drafted by June 2015
- Voting rights benchmarks expected to be based on combination of GDP and PPP
- 36 founding members as of April 17, 2015

The New DEVELOPMENT bank (ndb)

- Founding members: Brazil, Russia, India, China, South Africa
- Infrastructure and sustainable development projects
- Governance: Board of Governors, Board of Directors
- Initial authorized capital of US $100 billion; initial subscribed capital of US $50 billion
- Contingency Reserve Arrangement (CRA): Total initial capital of USD 100 billion
- Expected to become operational by year end

Source: Agreement on the New Development Bank
Disproportionate Representation Within Current MDBs

Source: World Bank Group, IMF, ADB
Insufficient Infrastructure Funding to Meet Development Needs

Estimated global Infrastructure investment needs 2013-2030

Units: Trillion US$

Source: McKinsey Global Institute Report – Infrastructure productivity: How to save $1 trillion a year; Standard & Poor’s Rating Services – Global Infrastructure: How to fill a $500 Billion Hole
Recent decline in private sector investment

Source: Private Participation in Infrastructure Database, World Bank
**Source:** Author’s research

**Historical development of safeguards**

- **1960s-70s**
  - Environmental preservation becomes gradually more important to MDBs & CSOs
  - **World Bank**
    - Operational Manual Statement on Environmental Aspects of World Bank Work
  - **World Bank**
    - Operational Directives replaced by Operational Policies and Bank Procedures

- **1980s**
  - **World Bank**
    - Morse Commission appointed to investigate WB’s role in the Sardar Sarovar Dam project in India
    - Wapenans Report
  - **1984**
    - Pelosi Amendment
  - **1989**
    - Environmental policy
  - **1991**
    - Involuntary Resettlement Policy
  - **1995**
    - Policy on Indigenous Peoples
  - **1998**
    - Equator Principles
  - **1999**
    - Paris Declaration on Aid Effectiveness
  - **2002**
    - WB introduces the pilot of Use of Country System (UCS)
  - **2003**
    - ADB begins process to revise policies
  - **2004**
    - ADB’s new Safeguard Policy Statement (SPS) approved, Call for strengthening UCS
  - **2005**
    - Accra Agenda for Action
  - **2008**
    - ADB’s commitment to Technical Assistance
    - WB’s Independent Evaluation Group’s review
  - **2009**
    - WB’s ongoing safeguards review
  - **2010**
    - Nigerian Sustainable Banking Principles
  - **2012**
    - IFC’s Performance Standards on Environmental and Social Sustainability
Research methodology

Literature Review

Evaluate evolution and current state of affairs of safeguards and the changing landscape of development finance

Stakeholder Analysis

Evaluate the key players (MDBs, governments, private sector actors, CSOs, etc.) with interest in the NDB and the AIIB

Survey

Shortlist potential interviewees and prepare a questionnaire addressing views on safeguards, as well as the NDB and AIIB

Detailed Interviews

Conduct detailed interviews with key stakeholders based on the questionnaires and other follow-up questions

Analysis

Holistic analysis based on the literature review, survey responses, and interviews

Source: Authors
Traditional safeguards

- **Strengths:** Relatively high investor engagement; provides example for country systems
- **Weaknesses:** Potentially ineffective incentive structure; limited focus and resources for monitoring & evaluation

Use of country systems

- **Strengths:** Focus on how to strengthen country systems; balance between flexibility and accountability
- **Weaknesses:** Higher costs, flexibility still limited; unclear standards
Insufficient Infrastructure Funding to Meet Development Needs

ADB’s projected Infrastructure needs in Asia for 2010-2020

<table>
<thead>
<tr>
<th>Infrastructure Type</th>
<th>Units: Billion US$ (2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>4,003</td>
</tr>
<tr>
<td>Transportation</td>
<td>2,899</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1,040</td>
</tr>
<tr>
<td>Water and Sanitation</td>
<td>280</td>
</tr>
</tbody>
</table>
| Total                     | 8,223                     

## Views on the current status of the safeguard standards

<table>
<thead>
<tr>
<th>Survey Questions</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social and Environmental Safeguards Remain “Net-Beneficial” and Essential for Development Finance</td>
<td>• MDB and CSO interviewees expressed the belief that safeguards were absolutely necessary</td>
</tr>
</tbody>
</table>
| Social and Environmental Safeguards are Usually Successfully Implemented         | • Acceptance of adequacy of safeguards as policy tools but recognition of the implementation challenges  
• Importance of local context highlighted                                         |
| Strict Enforcement of Safeguards Does Not Necessarily Delay Larger Infrastructure Development Projects | • When done correctly safeguards actually prevent unnecessary delays and costs  
• Role of technology in reducing delays highlighted                                |
| Geographic, Political, Social, and Economic Contexts Determine how well Safeguards are implemented | • Importance of local context universally accepted but with differences in degree – suggestion of the UCS  
• WB’s “principle-based” system highlighted                                         |
| Current Safeguards Have Been Adequate in Ensuring Protection of Local Social and Environmental Standards | • CSOs were in slight agreement with this sentiment, MDBs shared a stronger agreement  
• Importance of independent complaint mechanism highlighted (can add specificity to our claims) |
### Views on the emergence of the AIIB and the NDB

**Survey Questions**

- There is enough room for new development banks in the current development financing space
- The NDB & the AIIB can be complementary to existing development finance institutions
- The creation of the NDB and the AIIB could result in the harmonization of safeguard policies
- There is a risk of a “race to the bottom” due to the new actors coming into the development finance space
- The NDB and the AIIB can positively influence the progress of development finance

**Key Findings**

- Broad consensus throughout our interviews that there is enough room for new development banks
- Potential complementarity but question remains on how they will interact with the current institutions
- Co-financing for risk-sharing and knowledge transfer
- Unrealistic expectation of immediate harmonization
- Compatibility necessary to facilitate co-financing
- Need for legitimacy will aid adoption of best practices
- CSO interviewees widely accepted this concern, MDB interviewees vehemently disagreed
- Existing MDBs unwilling to dilute their standards
- Agreement with the statement was cautiously optimistic
- New institutions will enlarge the market, give more choice to borrowers, allow for greater financing flows
- Not likely to revolutionize immediately
- Evolution of China as a responsible actor highlighted

Source: Author
Policy recommendations

• Adhere to strong safeguard policies, building on existing MDB safeguards or the Equator Principles (private sector)

• Ensure compatibility with existing MDB safeguard policies to facilitate easier co-financing

• Include an independent accountability mechanism, akin to the World Bank Inspection Panel or ADB Accountability Mechanism

• Engage in efforts to improve capacity within borrowing countries to implement their own safeguards

Source: Author
Policy recommendations

- Consider more flexible Principle-based and Use of Country Systems approaches to safeguard policies
- Compete with existing MDBs in the delivery of quality technical assistance and financing for projects, not on the ease of providing financing
- Ensure appropriate monitoring and reporting in which safeguard implementation is assessed on a regular basis
- Build a broad variety of shareholder governments, and give significant voice to all shareholder governments, regardless of voting share

Source: Author
Fundación FEMSA
Practicum Team
Final Presentation

Mary Kate Battle, Rebecca de Guttry, David Ehle, and Jennifer Majer

29 April 2015
Agenda

• What is FEMSA Foundation?
• Practicum Objectives
• Field Work
• Key Deliverables
  ▪ Literature Review
  ▪ Measurement Plan
  ▪ Measurement Tools
  ▪ Training Manual
  ▪ Analysis of Potential Co-Investors
• Where to go from here
What Is Fundación FEMSA

- Philanthropic arm of FEMSA, a leading company in Latin America
- It funds development projects in the areas of nutrition and water in Mexico and Latin America
- We worked with the nutrition team and especially with nutrition education programs implemented by food banks
Objectives of the Practicum

- Determine best practices in nutrition education and food bank management through a literature review and interviews with food bank managers in the US
- Help create a standardized M&E system so that FEMSA Foundation can compare the various nutrition programs it funds side-by-side
- Identify potential co-investors for FEMSA Foundation to expand nutrition programming outside of Mexico
Field Visit

- Monterrey
- Saltillo
- Mexico City
- Puebla
- Querétaro
- León

- Meetings with FEMSA Foundation and food bank staff
- Visiting food banks
- Conducting interviews and focus groups with beneficiaries of nutrition education programs
Key Deliverables

- Literature Review, Field Report, and Practitioner Interviews
- Measurement Plan
- Measurement Tools
- Training Manual
- Analysis of potential co-investors
Literature Review, Field Report, & Practitioner Interviews

• **Part 1: Literature Review**
  20 articles reviewing current trends in nutrition education, food bank best practices, and community education outreach

• **Part 2: Field Report**
  Potential solutions from the current literature to constraints identified by various stakeholders during our field visit

• **Part 3: Practitioner Interviews**
  Advice for FEMSA from respected nutrition education practitioners working with Catholic Charities, SHARE, & WIC in the United States
Measurement Plan

Formalized a program logic framework (results chain)
Behavior change outcomes
Health and nutrition outcomes
Social impact

Developed indicators to measure progress along results chain
Process, output, outcome, and impact indicators

Final Measurement Plan consists of:
Results Chain
Indicators + Data Collection Plan
Projections and Results Tracking template
Measurement Tools

- Field work helped inform development of surveys with which to measure indicators.
- Harmonized FEMSA partners’ existing questionnaires and developed new tools based on nutrition program best practices for M&E.
- Final tools consisted of:
  - **Food bank reporting template** to track inputs and program take-up/attrition
  - **Baseline/endline survey** for performance evaluation
  - **Anthropometric recording template** for ongoing health monitoring
  - **Midline survey**
  - **Process evaluation tools**: workshop observation guides and focus group interview guides
  - **Food frequency questionnaires** for monitoring of nutrition behavior
Training Manual

• A guide for FEMSA’s implementing partners about implementation and operationalization of the new M&E system

• Includes
  • An explanation of the purpose of the system
  • Descriptions and instructions for each survey tool
Analysis of Potential Co-Investors

• Identifies entities focused on nutrition that could be interested in co-investing in the Foundation’s projects as it expands to 3 new countries:
  • Colombia
  • Brazil
  • Philippines

• Includes a snapshot of each country’s nutrition situation to guide future work
Where to Go from Here

- Best practices, recommendations for implementation in the short-, medium-, and long-term
- Operationalizing survey tools
- Potential areas for contribution of a future Practicum team
Muchísimas Gracias

To everyone at FEMSA Foundation, BAMX, Cáritas Monterrey, the workshops participants, Tanvi, Raúl, Robin, and everyone else at SAIS IDEV
The Business Case for: Solar PV in Cambodia

Laura Andersen, Przemyslaw Garbaczewski, Noah Schlosser, Gregor Schueler

Client: PFAN-Asia

April 29, 2015
Project Mandate

• To find the most profitable investment or business model for entrepreneurs looking into solar PV electricity generation in Cambodia

• Cannot depend on subsidies or government/philanthropic assistance

• Beyond that, anything goes!
Electricity Infrastructure

- $0.18/kwh in Phnom Penh, $0.50/kwh or higher in rural areas
- Significant hydropower generation currently being developed, future grid tariffs & geographic expansions uncertain
- 65% do not have access to grid electricity
## Pre-Trip Potential Models

<table>
<thead>
<tr>
<th>Solar lanterns and kits</th>
<th>Value proposition</th>
<th>Commercial potential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Access</td>
<td>Price competitive</td>
</tr>
<tr>
<td>Solar home systems</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Industrial systems</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Mini-grids</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
Licensing

• Distribution handled through licenses, which create geographic monopolies

• Buying licenses is prohibitively expensive, and last of the new licenses were just given out in January

• Selling back to the grid is also illegal

• This makes mini-grids nonviable, and also makes solar home systems difficult
Solar Home Systems: Too Complicated

- Numerous companies already operating domestically
- Small-margins and significant transaction costs
- Low consumer access to finance
- Poor reputation of solar PV
Industrial Facilities: Doable & Scalable

- Scale of investment (700 garment factories with high energy needs)

- Customers are more receptive to the financial pitch; less need for marketing

- Factory owners more able to make long-term investments; better access to finance
# Sales Options

<table>
<thead>
<tr>
<th>Description</th>
<th>Power Purchase Plan</th>
<th>Sales Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Developer owns system and sells electricity to customer at grid-tied tariff</td>
<td>Developer installs system and offers warranty; customer owns system</td>
</tr>
<tr>
<td><strong>Pros</strong></td>
<td>• Less risk and no upfront Capex for customer</td>
<td>• Maintenance and grid-tariff risks transferred to customer</td>
</tr>
<tr>
<td></td>
<td>• Expected greater market share</td>
<td>• Greater return to developer</td>
</tr>
<tr>
<td><strong>Cons</strong></td>
<td>• Riskier and less return for developer</td>
<td>• Expected smaller market share</td>
</tr>
<tr>
<td><strong>Target Customers</strong></td>
<td>• Limited access to finance</td>
<td>• Larger-scale/more energy-intensive</td>
</tr>
<tr>
<td></td>
<td>• Less energy-intensive</td>
<td>• Greater access to finance; able to make upfront Capex</td>
</tr>
</tbody>
</table>
Expected Returns, Electricity Sale

NPV Analysis for Multiple Installations (NPV/Year of Investment)

Real Value of Savings for an Industrial Customer
Expected Returns, Mixed Model

System Sales Produce High Return but Marginal NPV Contribution to the Business
Expected Returns, Single System

Best and Worst Case Single System Electricity Sale

<table>
<thead>
<tr>
<th>Cost of Capital (%)</th>
<th>16%</th>
<th>15%</th>
<th>14%</th>
<th>13%</th>
<th>12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$/kWh 0.23</td>
<td>63,005</td>
<td>79,160</td>
<td>97,102</td>
<td>117,104</td>
<td>139,488</td>
</tr>
<tr>
<td>$/kWh 0.22</td>
<td>49,132</td>
<td>64,449</td>
<td>81,460</td>
<td>100,422</td>
<td>121,641</td>
</tr>
<tr>
<td>$/kWh 0.21</td>
<td>35,259</td>
<td>49,738</td>
<td>65,817</td>
<td>83,740</td>
<td>103,794</td>
</tr>
<tr>
<td>$/kWh 0.20</td>
<td>21,386</td>
<td>35,027</td>
<td>50,175</td>
<td>67,058</td>
<td>85,947</td>
</tr>
<tr>
<td>$/kWh 0.19</td>
<td>7,528</td>
<td>20,335</td>
<td>34,555</td>
<td>50,404</td>
<td>68,134</td>
</tr>
<tr>
<td>$/kWh 0.18</td>
<td>(6,242)</td>
<td>5,750</td>
<td>19,069</td>
<td>33,913</td>
<td>50,524</td>
</tr>
<tr>
<td>$/kWh 0.17</td>
<td>(19,876)</td>
<td>(8,669)</td>
<td>3,782</td>
<td>17,666</td>
<td>33,209</td>
</tr>
</tbody>
</table>

NPV

Best and Worst Case Single System Electricity Sale

- (20,000)
- (40,000)
- (19K)
- 139K
Next Steps

1. Update assessment of macro conditions
2. Identify input suppliers
3. Hire lawyers & accountants, begin applying for permits
4. Consider financing sources
5. Define contract terms for both PP & Sales models
6. Identify and approach first target customers
7. Identify and recruit skilled labor, rent office, procure other assets and infrastructure as necessary
THANK YOU!
21st Century Skills and Digital Literacy: An India Case Study

Jacob Morrin | Olivia Huang | Ryan Whalen
ASER Centre “pivot” from annual status of education report—critical juncture

21st Century Skills
Fieldwork
Final Deliverables

1. Literature Reviews
2. Field Visit Report
3. Memo on Findings and Recommendations
4. Quantitative Survey Tool
5. Competency Grid
Main Findings

● Students have access to computers and learn operational skills, but rarely use them to search, evaluate, use, and present information.

● There is limited access to the Internet. Some students access the Internet on their mobile phones but not for educational purposes.

● Students have opportunities to participate in extracurricular and community activities.

● There are limited opportunities for student presentations and collaborative work.
Main Findings

- Whether for semantic or cultural reasons, assessing creativity is a challenge. There is large variation in the responses we received.

- While there is no formal class on citizenship education, some extracurricular and community activities do promote local citizenship.

- There is a consensus that 21st century skills are important for the future, but teachers and parents also want to see more vocational training and a curriculum tailored to each student’s abilities.

- Assessment of 21st century skills (i.e. “life skills”) is time-intensive and requires a focused approach with a skilled assessor.
Main Recommendations

- ASER should not endeavour to assess *all* 21st century skills
- ASER should determine whether it wants to focus on inputs or outcomes
- For some 21st century skills, a quantitative assessment may not be appropriate
- In the future, ASER should leverage the launch of the ASER app to assess 21st century skills
Quantitative Survey Tool

- A sample quantitative survey targeting secondary school students for ASER to pilot test in the field

- Four sections:
  - Digital Literacy - Access to Computers, Self-Reported Computer Literacy, Self-Reported Mobile Phone Literacy, Sample Digital Skills Test
  - Extracurricular and Community Activities
  - Communication and Collaboration
  - Citizenship
<table>
<thead>
<tr>
<th>A41</th>
<th>Which key is used to create a new line while typing in a word processing application?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ a □ b □ c □ d □ e □ f</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A42</th>
<th>Which of the icons would you click on to write a memo?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ a □ b □ c □ d □ e □ f □ g □ h □ i</td>
</tr>
</tbody>
</table>
Competency Grid

- Tool for ASER to conceptualize 21st century skills and think about potential indicators
  - Digital Tools
  - Social Interaction
  - Individual Action
<table>
<thead>
<tr>
<th>Domain</th>
<th>Sub-Domains</th>
<th>Standards</th>
<th>Achievement Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1.1 Mobile phone literacy</td>
<td></td>
</tr>
</tbody>
</table>
|        |             | 1.1.1 Uses mobile phones for making/receiving calls | • The proportion of respondents who know how to place an outgoing mobile phone call  
• The proportion of respondents who know how to receive an incoming mobile phone call |
|        |             | 1.1.2 Uses mobile phones for sending SMS text messages | • The proportion of respondents who know how to send text messages (SMS) on a mobile phone                                                                 |
|        |             | 1.1.3 Uses mobile phones for searching for information | • The proportion of respondents who know how to access the Internet using a mobile phone  
• The proportion of respondents who know how to use toll free numbers to get information on a mobile phone |
|        |             | 1.1.4 Uses mobile phone to access services       | • The proportion of respondents who know how to subscribe to Aadhaar using the mobile phone  
• The proportion of respondents who know how to use VoIP services to access mobile healthcare  
• The proportion of respondents who know how to subscribe to updates regarding their bank account status |
|        |             | 1.2 Computer literacy                           |                                                                                                                                                    |
|        |             | 1.2.1 Uses computers to create typed documents, spreadsheets, paint documents | • The proportion of respondents who know which application to use for writing a memo  
• The proportion of respondents who know which application to use for accessing the Internet  
• The proportion of respondents who know how to use Microsoft Word to create, type, and save a document  
• The proportion of respondents who know how to use Microsoft Excel to create, enter information, and save a spreadsheet  
• The proportion of respondents who know how to use Paint to create, paint, and save a painting |
|        |             | 1.2.2 Uses computer to search for information via the Internet | • The proportion of respondents who have used the Internet to search for information on a computer in the past six months |
THANK YOU!

Jacob Morrin | Olivia Huang | Ryan Whalen
IDEV SAIS
PRACTICUM

Water and Sanitation Program, World Bank
Cambodia
Research Question

What is the feasibility of creating a professional association of latrine businesses in Cambodia to strengthen the private sanitation sector and ultimately improve rural sanitation in Cambodia?
Stakeholder Environment

Current Stakeholder Environment

- National Government
  - Ministry of Rural Development
  - Ministry of Economy and Finance
- District Governments
  - Line Minister DORD
  - District Governors
- Private Sector
  - Latrine Businesses
  - Manufacturers
  - Sales Agents
- Customers
- Development Partners
  - IDE
  - ADB

Desired Stakeholder Environment

- National Government
  - Ministry of Rural Development
  - Ministry of Economy and Finance
- Private Sector
  - Latrine Businesses
  - Manufacturers
  - Sales Agents
- Commune/Village Councils
- Development Partners
  - IDE
  - ADB
- Customers
- District Governments
  - Line Minister DORD
  - District Governors
Summary of Work

- Literature review on Cambodian private sanitation sector and local government capacity in sanitation

- Field research, including in-country interviews and focus groups with latrine business owners, sales agents, NGOs, and local governments

- Case studies and lessons learned from APPSANI sanitation association (Indonesia) and Cambodia Water Association (CWA)

- Operationalization plan for facilitating coordination between latrine businesses
Findings: Key Challenges

- **Latrine Businesses**
  - No grassroots demand for association
  - No marketing activities
  - Need to develop informal coordination to foster demand
  - Services: Support in sales and regional advertising

- **Local Government**
  - Lack of time and resources
  - Relationships with local government essential to gain access to potential customers
  - Decentralization and ring-fencing of funds
  - Greater support from national and provincial government
  - Services: Serve as liaison and advocate to national and local government

- **NGOs**
  - Contradicting strategies
  - Market dependent on NGO activities
  - Greater reliance on private sector/government coordination
Best Practices: Case Studies

- Technical facilitation
- Flexible, adaptable services
- Partnership with government
- Financial sustainability
Recommendations For Association

Step One: Requirements Necessary for Successful Formation

Grassroots Demand
- Generate demand from ground-up
- Identify champions
- Facilitate with networking platform

Multiple Stakeholder Involvement
- Involve stakeholders from across value-chain
- Cater association services to attract a diversity of players

Government Support
- Focus activities on public education and CLTS
- Create enabling environment for private sector
Recommendations for Association

Step Two: Proposed Process

1. Selection of Pilot Area
   - Select a province
   - Consult stakeholders to identify 10-20 LBs to participate

2. Initial Meetings
   - Assess LB interest in potential topics
   - Conduct bi-monthly meetings

3. Leadership Identification
   - Demand-driven process
   - Democratically elect board of directors

4. Association Formation
   - Create by-laws
   - Legal application
   - Membership recruitment

5. Expansion
   - Expand BMO to other provinces
   - Scale-up at national level

WSP Role

- Facilitate selection of LBs
- Conduct interest assessment
- Facilitate initial meetings
- Assist with selection of board of directors
- Facilitate creation of by-laws
- Provide legal TA
- Coordinate between BMO and other stakeholders
Recommendations For Association

Step Three: Proposed Timeline

- **Months 1-3**: Pilot Province Initial Meetings
- **Months 4-6**: Elect Board
- **Months 7-9**: Draft Bylaws
- **Months 10-12**: Legal Approval
- **Rollout to 3 Additional Provinces**: Initial Meetings, Elect Board, Draft Bylaws, Legal Approval
- **CWA**: Initial Meetings, Elect Board of Directors, Draft Bylaws, Legal Approval
- **APPSANI**: The APPSANI formation process took around 2 years, but the exact timeline of events is still unknown. We are still gathering more information on this process.
Conclusions

- A professional association could fill a current void in the enabling environment
- Key challenges still remain:
  - Financial sustainability
  - Low government capacity
  - Current lack of demand
- Necessary next steps
Questions?
Resilience to Natural Disasters in the Philippines

Mercy Corps Philippines
Grace Harter, Daniel Hudner, Meredith Kummings, Joanna Van Asselt
Typhoon Haiyan (Yolanda)

In November 2013 Typhoon Yolanda struck the Visayas region of the Philippines. The deadliest recorded storm in Philippine history, Yolanda killed 6,500, displaced more than 4 million, and affected approximately 14 million citizens. The Leyte region was especially hard struck, and rural farmers have been identified as a particularly vulnerable population.
Resilience and Research

Household resilience - the ability to manage shocks in a manner that avoids long-term negative consequences to well-being

Social Capital

Financial Inclusion

Women

Livelihoods

By identifying the best means of disaster-preparedness and disaster-recovery, this research will contribute to building a better understanding of how to best support affected populations.
Measurement

- Qualitative: collected through focus groups and key informant interviews
- Quantitative: collected via two household surveys, a baseline and endline, of selected beneficiaries of the TabangKO program
Livelihoods

How does having a diverse set of income-generating activities, affect resilience?

- Little evidence of correlation between livelihood and outcomes
- No benefit of livelihoods diversification prior to Yolanda; however, post-Yolanda diversification was beneficial
- Qualitative evidence suggests people hope to diversify only short-term; however, government officials and NGOs want diversification to be a long-term strategy for the Philippines
Financial Inclusion

How does access to and use of financial services affect resilience?

- Formal loans played positive role in recovery
- Informal loans contributed to house repair, but is also associated negatively with well-being
- Savings impacted recovery and coping, but respondents reported small number of savings
- Further research needed on moneylending and using store credit
Women

How does women’s participation in community and household-decision making as well as access and control of resources impact resilience?

- No significant differences in outcomes if FDM was male or female
- Women’s participation in community generally beneficial for household recovery
- Qualitative evidence of increasing participation in the workforce post-typhoon
Social Capital

How do the social networks amongst individuals and groups affect resilience? Which types of social capital (bonding, bridging, or linking) do individuals draw upon after a disaster, and for what purposes?

- Bonding: played role in house repair and overall economic recovery, but detrimental in food coping strategies

- Bridging: had positive effect in material outcomes of recovery and coping. Measured as membership in associations, but the benefit may have been access to foreign aid instead of collaboration within association

- Linking: smoothed food consumption

- Further research is needed to address social capital and its drawbacks and advantages to resilience
Recommendations for Future Research and Policy

- Look more into shop credit
- Look at change in women’s ability to change their contribution to income-generation, and the societal factors that underline this change
- Examine how the inflow of aid shifted community power structures
- More in-depth study of different types of diversification