

# Newsletter

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## Regional field visit highlights the importance of resilience amidst climate change



Mr. Wilfredo Demifites, a rice farmer shows to the WIBI Mindanao team the common problem in the rice farm in Calinan, Davao City which is the spread of golden apple snail especially in excess water or flooding events. (Photo by: C. Ngo)

As part of monitoring activities of WIBI Mindanao Project, a regional field visit in Region XI (Davao City) was carried out on January 17 and 18, 2016 with the UNDP Regional Specialist for Climate Change Adaptation, Mr. Yusuke Taishi and representative from UNDP Country Office in the Philippines, Ms. Imee Manal.

The activity was organized by the Project Management Office with the active support from Philippine Crop Insurance Corporation (PCIC) Regional Office XI led by Mr. Bonifacio Pales and the Agricultural Offices of Calinan and Tugbok Districts in Davao City. The visit was an opportunity to assess the progress of project implementation and identify possible risks that could impede the achievement of the overall objectives of WIBI Mindanao.

On the first day, the WIBI Mindanao team was welcomed by Municipal Agriculture Office (MAO) at Barangay Hall in Poblacion, Calinan District,

Davao City. About fifty (50) farmers attended the said gathering followed by a visit to one of the farmers who received a payout for excess rainfall.

Mr. Wilfredo Demifites also showed some of his livelihood alternatives like growing various fishes and fruit trees. The WIBI Mindanao team also interviewed several farmers including Nanay Lily and Nanay Norma from Tugbok District. They shared that having received the payouts, it provided them additional source of income and back up for purchasing agricultural inputs. The team also visited the recipients' homestead along the way and the severe drought is indeed evident in their farmlands.

On the second day, January 18, 2016, the PCIC Region XI headed by Mr. Bonifacio Pales organized the formal MOA signing between the PCIC and the two financial service providers (FSPs) namely Bukidnon Cooperative Bank (BCB) and Cooperative Bank

of Misamis Oriental (CBMO). The MOA signing was also witnessed by Mr. Yusuke Taishi, the National Project Coordinator, Mr. Israel dela Cruz and Mr. Noel Clarence Ducusin of Agricultural Credit Policy Council (ACPC) which is in partnership with the FSPs. The MOA signing gives an opportunity to the farming clients of these banks to avail WIBI insurance products for the next cropping season.

The two-day visit captured the positive and enthused impression of the farming communities, local governments and financial service providers in both regions. They appreciate the potential of WIBI in terms of scaling out and scaling up innovation in insurance product in the context of climate resilience.

The WIBI Mindanao team was composed of Mr. Yusuke Taishi, Ms. Imee Manal, Mr. Israel dela Cruz, Ms. Charlene Ngo, Ms. Angelica Barlis and Mr. Hilbert Narbonito. #WIBI

## WIBI Mindanao Project Board approves the US\$400,000 budget for Year 2 implementation

The 3rd Project Board Meeting conducted on January 15, 2016 in Ortigas Center, Pasig City highlights the approval of the proposed 2016 annual work and financial plan amounting to US\$400,000.

Five (5) out of the seven (7) member agencies of the Board participated in the meeting particularly the Department of Agriculture-Office for Special Concerns (DA-OSC), Philippine Crop Insurance Corporation (PCIC), Climate Change Commission (CCC), National Economic and Development Authority (NEDA) and United Nations Development Programme (UNDP).

Mr. Israel dela Cruz presented the first year implementation of the project highlighting the development of two indices for Regions X and XI, the project regional launching in Davao City last June 1, 2015, approval of 2015 budget, and the MOA signing with responsible parties amounting to Php19M. He also emphasized the inclusion of the project during the speech of Ms. Helen Clark, UNDP Administrator during Paris Agreement or COP21 on Dec. 8, 2015.

About 2,200 farmers participated the WIBI Literacy Seminar conducted in Regions X and XI. As of January 2016, there are already 837 farmers enrolled in WIBI or 41.85% of the total project target of 2,000 farmers. PCIC distributed a total of 26 payouts amounting to Php 155,506.63 to farmers in Malaybalay, Bukidnon and in Davao City. In 2015, the project was able to insure 961.64 hectares with a total coverage of Php 19.195 million. **#WIBI**



(L-R) The Project Board Chairperson, Undersecretary Bernadette Romulo-Puyat with Vice Chairperson and PCIC President Atty. Jovy Bernabe and UNDP Country Director Titon Mitra during the 3rd Project Board meeting held at Oakwood Hotel, Ortigas Center,



The Project Board members discussing the details of the 2016 Annual Work and Financial Plan amounting to US\$400,000.00 or Php18.8M as presented by the National Project Coordinator, Mr. Israel dela Cruz



UNDP and WIBI Mindanao PMO visits the Philippine Rice Research Institute on January 19, 2016.

## PhilRice explains the outstanding benefits of weather index-based insurance

As part of the regional field visit, the PMO together with the UNDP Country Office and Regional Technical Adviser visited the Philippine Rice Research Institute (PhilRice) on January 19, 2016 at the Science City of Munoz in Nueva Ecija.

Mr. Ailon Capistrano, the lead of WIBI Mindanao Project-PhilRice Component on index development discussed the benefits of WIBI and the basic aspects to consider in doing the methodology. Mr. Capistrano underscored the following advantages of WIBI:

1) Eliminates the dependence of insurer on manual assessment of losses which could be prone to inaccurate payouts due to subjectivity of the assessor. Peril assessment will be based from the data provided by a third party, in this case it will be from an official weather bureau like PAGASA.

2) Moral hazards among the insured is greatly reduced if not eliminated even if client was inclined to neglect his crop after insurance coverage, payouts will still depend on breached indices against certified data of a weather bureau.

3) Adverse selection by insurer can be avoided since the limiting criterion for potential WIBI enrollees would be the specified effective proximity (20km radius) to weather stations.

4) Higher reinsurance availability resulting to more farms covered by the insurance company aside from the fact that operational costs are reduced in WIBI since monitoring for moral hazards have been eliminated (Diaz Nieto et al, 2012).



Dr. Calixto Protacio of PhilRice welcomes the WIBI Mindanao team during their visit in Munoz, Nueva Ecija.



Crop Water Requirement experiment set up in PhilRice



### PhilRice explains the...(cont'd)

5) Reduced claims settlement time due to an objective and simplified peril assessment and payout computation.

6) Better transparency because the client themselves can personally assess their own claims if the third party data of the index parameter are made public.

He also explained the basic considerations for index-based insurance particularly the following:

1) A developed index should be able to reflect actual losses of the insured. A high correlation between the index of a particular weather parameter against actual production

losses should therefore be present.

2) Index insurance is actually a “bet” on the index formed from weather parameters and modified to represent potential damages that may be incurred by the insured (Patankar, 2012).

3) Local data or location-specific data required for developing a weather index must be available and accessible.

4) Aside from accessibility, it must come from a reputable source and must have a significant historical presence. #WIBI

### PMO carries out inter-agency writeshop to develop knowledge products

Gathering all the partners and responsible parties of WIBI Mindanao Project from Outcomes 1 to 3, the first-ever inter-agency writeshop was conducted on February 15 to 19, 2016 in Tagaytay City to develop standardized WIBI literacy modules and knowledge products. The week-long writeshop was able to accomplish the following: 1) shared the current experiences and lessons learned from project implementation; 2) collected available information and technical references from the experts, project partners and implementers that are relevant to WIBI Literacy Modules; 3) agreed on the overall content, format and timeframe for the planned publication; and 4) identified the roles of and expectations from each project partners with regard to the content of WIBI literacy modules and other knowledge products.

One of the milestones from this writeshop is the draft administrative order for the Department of Agriculture amending the implementing rules and regulations of Agricultural Guarantee Fund Pool (AGFP). The A.O. discusses the proposed preferential rates (0.25% for palay production) for the financial and lending institutions with enrolled accounts that are insured in WIBI. This means that the WIBI clients will have the same guarantee rates provided for the Agrarian Reform Beneficiaries (ARBs).

Consequently, this should further encourage financial service providers to support WIBI because of the new guarantee rates. Once approved, the AGFP agreed to collaborate with the project in conducting national literacy workshop to promote this policy initiative on incentivizing the private sector.

Moreover, the Climate Change Commission (CCC) headed by Dr. Jake Tio presented the Awareness and Preparedness for Emergencies at Local Level (APELL) and Disaster Risk Reduction and Climate Change Adaptation training materials. Also, the Agricultural Training Institute (ATI) represented by Region IV-A demonstrated the use of Rice Crop Management software during the said workshop.

Lastly, Ms. Rosalina de Guzman, Chief of Climate Data Section presented the mandate and functions of Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA). She also enumerated their proposed plan to expedite the issuances of weather certificate which has been identified as one of the bottlenecks for the immediate release of payouts during the first two cropping seasons in 2015. #WIBI



(L-R) WIBI Mindanao project partners from Climate Change Commission (CCC) with PCIC Regional Manager for Region XI, Mr. Bonifacio Pales, (center) Chief Technical Adviser, Dr. Clarita Carlos and National Project Coordinator Mr. Israel dela Cruz (right) brainstorm in addressing the current challenges in project implementation during the first inter-agency writeshop held in Tagaytay Highlands Country Club.



PCIC headed by Regional Manager for Region XI and WIBI Mindanao Focal Person Mr. Bonifacio Pales led the distribution of payouts to 40 farmers held in Calinan District, Davao City last February 26, 2016. Also in the picture are Mr. Mario Davin, City Agriculturist, Ms. Agnes Barte, Agricultural Technician from Davao City Agriculture Office and Mr. Israel dela Cruz, National Project Coordinator of WIBI Mindanao.

### PCIC & PMO led the second regional project mission for 2016

The Project Management Office (PMO), with the National Project Coordinator Mr. Israel dela Cruz led the second regional field mission held last February 22 to 26, 2016 in Bukidnon and Davao City. They were joined by PCIC Regional Focal Persons Mr. Roy Arthur Alamban and Mr. Bonifacio Pales and local government officials from both provinces. The mission was composed of distribution of payout checks and field validation in areas where weather indices were breached. Ms. Angelica Barlis and Ms. Charlene Ngo documented several notable farmer beneficiaries and their stories on how the payouts received from PCIC became beneficial to them.

Edna Pulanco, a mother of two was grateful to receive an unexpected cash from WIBI Mindanao because she can now buy fertilizers for her inherited farm.

She also experienced a total damage from her 1.5 hectares of rice farm during Typhoon Pablo in 2012. The family of Ms. Pulanco cooked and ate the rice that was left from that typhoon for their family's survival, even if the palay was muddy and smelly. After that experience, Ms. Pulanco became more proactive and vigilant in terms of becoming resilient to the effects of climate change.

Davao City, Ms. Francisca Dagami, wife of a paralyzed farmer and also a breadwinner of family of five is grateful for the WIBI payout because it will support her and her husband's health maintenance.

Aside from using the payout for buying fertilizer for their farm, she is really happy because she will now be able to have her eyes checked by the doctor.

With these personal accounts, it shows that WIBI goes beyond restoring livelihoods but also providing opportunity for an improved well-being of its farmer beneficiaries. **#WIBI**

In Malaybalay City, Bukidnon, Ms.

Meanwhile, in Calinan District



Mr. Roy Arthur Alamban (right), WIBI Mindanao Focal Person for PCIC Region X together with Mr. Israel dela Cruz (left), National Project Coordinator distributed checks to 12 farmer beneficiaries in Malaybalay City, Bukidnon.

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