

# MDG-F 1656 Joint Programme on Climate Change Adaptation: Outcome 3.4 Climate Resilient Farming Communities in Agusan del Norte through Innovative Risk Transfer Mechanisms



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## The Challenge



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In the farming communities of Agusan del Norte, a province in Northeastern Mindanao (Southern Philippines), climate change is not only threatening harvests and productivity but also lives and properties.

Many residents in Agusan del Norte are farmers, most of whom are poor with limited resources. This condition makes them more vulnerable to the impacts of climate change. While record flooding is becoming more common, extreme drought is also happening—a calamity for farmers dependent on rainfall. The farmers often end up with wasted resources depriving them the opportunity earn a living.

Making economic resources more accessible to farmers could help in increasing their ability to adapt to climate change impacts. Aside from financial resources, however, they also need access to training, markets and technology. These include both financial and productive resources.

Farmers need access to training, markets and technology to fully benefit from financial reserves. All of these collectively strengthen communities while reducing their chances of being vulnerable to the effects of climate change. This also contributes to the Philippine Government's aim of providing sustainable and productive work for its people.

## The Response

The Climate Change Adaptation Project (CCAP), a project funded by the Government of Spain through the United Nations Millennium Development Goals Achievement Fund (MDG-F), is being implemented by the International Labour Organization (ILO). The ILO partners with the Department of Labor and Employment (DOLE), Department of Trade and Industry (DTI), and the Province of Agusan del Norte, along with other relevant agencies and organizations from the government and the private sector in carrying out the objectives of the CCAP. The Project is Outcome 3.4 of the MDG-F Joint Programme on Strengthening the Philippines Institutional Capacity to Adapt to Climate Change.

Primarily, the Project helps farmers in adapting to the changing climate by helping them improve their productivity through financial risk management mechanisms. The farmers' ability to cope with climate change is primary dependent on several factors that CCAP considers: economic condition, availability of capital, technology and other support services for the production. With this, CCAP works with farmers, their organizations and concerned government and non-government groups in developing and testing coping mechanisms that they can apply. The Project has identified mechanisms such as revolving funds and insurance schemes and assistance to diversity farmers' livelihood base.

CCAP hopes to introduce an effective approach that can ensure long-term preparedness of vulnerable farming communities to climate change. Helping these farmers learn how to deal with challenges such as climate change would mean teaching them how to get out of poverty as well.

### Key Statistics

- Agusan del Norte is one of the five provinces of the Caraga region (Northeastern Mindanao). It has a land area 273,024 hectares. It comprises one city, 10 municipalities, and 167 barangays.
- As of 2007 census, Agusan del Norte has a total population of 314,027 with 158,873 women (49 per cent).
- Around 31,913 (55.6 per cent) households in Agusan del Norte are below the poverty line (more than twice higher than the national average 24.4 per cent).

## Objectives

The Project aims to provide target vulnerable farming populations with access to both financial and productive resources for purposes of not only helping them cope in the event of climate change-triggered disasters but also of improving their socio-economic lot, especially through diversified livelihoods schemes.

The Project will also demonstrate that risk transfer mechanisms such as innovative insurance schemes and flexible financial mechanisms like revolving funds help reduce risk exposure of farmers and provide opportunities to diversify livelihood base and as such as helpful in developing resiliency.

The Projects' specific objectives include:

- to develop and test financial safety nets for vulnerable populations, especially women; and
- to develop the capacities of vulnerable populations to participate and avail of the benefits under economic diversification and a democratized governance system.

### Relevant ILO Conventions and Recommendations

- Safety and Health in Agriculture Convention, 2001 (and supplementing Recommendation No. 192)
- C144 Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)
- Employment Policy Recommendation, 1964 (No. 122)

## Achievements

- Three models of Innovative Financing Schemes for Climate Vulnerable Farming Population (Rural Bank Model, Coop Model, and Local Government Unit Loan Facility) were developed and introduced. The financing scheme serves as a credit delivery with Savings and Mutual Protection Scheme for Crop Production and Alternative Livelihood of Climate Vulnerable Farming Population that was developed and tested. The test run benefitted 753 farmers.
- Early warning systems established and weather monitoring devices to include four Automatic Weather Stations, 16 Manual Rain Gauges, 11 Flood Water Level Gauges, and 10 Flood Warning Signages were installed in CCAP priority areas.
- Five Weather Index-based Insurance Products for Rice and Corn Protecting farmers risks from Excess and Low Rainfall developed and tested in two CCAP priority municipalities.
- Knowledge Management products relevant to replication and upscaling of mechanisms are packaged and made available.
- Formation of the CCAP Focal Teams, climate change aware farmers groups and communities and other critical partnerships expected to carry on and sustain the project gains. Establishment of Climate Change Adaptation Fund in local government units from which the innovative Financing Schemes are being tested.



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## Components

**Donor:** Spanish Government through the MDG-F

**Acronym:** CCAP

**Start date:** December 2008

**End date:** December 2011

**Budget:** US\$600,000

**Partners:** DOLE, DTI, and the Province of Agusan del Norte

**Project Sites:** Agusan del Norte Province (priority Municipalities of Buenavista, Jabonga, Las Nieves, and Remedios T. Romualdez)

