

**RESPONDING TO DISASTERS:  
The Micro-Enterprise Disaster Assistance  
Fund for Resiliency Program**

**RENE M. FORTUNO  
Chief of Party**

# Philippine Business for Social Progress

- A Social Development Foundation founded in 1970 that aims to lead the business sector's efforts to reduce poverty in the Philippines;
- Comprised of 252 private companies;
- Promotes collective impact among Companies, Civil Society Organization, Government and Communities;
- With programs in Health, Education, Environment, Livelihood and Enterprise Development;
- Promotes Inclusive Business.
- Launched Project New Dawn in support of Typhoon Yolanda Rehabilitation.

# Project New Dawn

- PBSP priority is Northern Cebu area of Daan Bantayan, Bantayan, Sta Fe and Madrideojos where health, education, environment, livelihood programs are implemented;
- PBSP – International Rescue Committee in Iloilo for emergency housing and rehabilitation of fishing value chain;
- PBSP – Adventist Development Relief Agency/DFAT Canada in Iloilo for emergency housing, micro-finance, fishing value chain
- PBSP USAID – Micro-enterprise Disaster Assistance Fund for Resiliency Program, a wholesale credit window for MFIs in Leyte;

# Project New Dawn Results

- P363 million Mobilized
- 20,378 HH with relief pack assistance
- 9,634 students/teachers with education kits
- 4,286 with shelter kits and cash grants
- 1,272 HH with livelihood assistance
- 1,100 jackstone type artificial reefs installed
- 24 classrooms constructed
- 360 HH with access to potable water
- 25 hectares mangrove forest rehabilitated

# Rationale for MIDAS

- 5.6 million workers (40% women & 20% youth) were unable to earn income to support their families (NEDA 2014);
- 13 MFIs with 440,000 clients affected. In Leyte, MFIs found repayment rates dropping to 30% with loan portfolios reduced by 40%-60% (MCPI 2014);
- Poor families resort to negative coping mechanisms, such as increased debt to meet daily needs and decreased spending for food and other basic necessities (Institute of Phil Culture 2011);

# Program Goal

- Establish a **P5 billion Resiliency Fund**, for 500,000 micro-enterprises affected by disasters over the next five years. (2014 – 2019).
- Spin off a Resiliency Fund Foundation that will sustain the program.

# USAID MIDAS Project (2014-16)



Resiliency Fund seeded at P140 million from USAID and P26 million from MFIs and PBSP.



Accredit Micro-Finance Institutions, starting with CARD, ASA Philippines, Negros Women for Tomorrow Foundation, Taytay sa Kauswagan, inc.



25,500 micro-enterprises with revived livelihood, 20% increase in income, P5,000 savings and adopting DRRM CCA measures to address future disaster risks.



Resiliency Fund as a separate entity.

# Activities

- Due diligence, accreditation, and account management of MFIs;
- Monitor lending and business support to micro-enterprises. Network with Business Development Service providers;
- Information, Education and Communication campaigns/training for MFIs and end-borrowers on DRRM CCA;
- Organizing and strengthening the MIDAS Fund entity;
- Resource mobilization to build Resiliency Fund



# Activities

- PBSP lends at zero interest rate payable in one year with grants for admin support
- MFIs lend at 4% per annual payable in 6 months to one year;
- MFIs have 45 days from availment date to fully release loans to end borrowers, and report on accomplishments quarterly;
- Borrowers can avail of MIDAS loans only once, and upon full payment of loan, they revert to regular lending
- PBSP rides on cluster approach for IEC on DRRM-CCA
- Repayment goes back to Resiliency Fund for lending in the succeeding cycles.

# Accomplishments (September 2014 to June 2015)

- Established resiliency fund
- P106 million loan releases to 4 MFIs
- 20,000 beneficiaries reach



**ASA Philippines  
Foundation**



**Negros Women for  
Tomorrow Foundation**



**Center for Agriculture  
and Rural  
Development Inc.**



**Taytay sa Kauswagan  
Inc.**

# WAY FORWARD

- Register the Disaster Assistance for Resiliency Foundation with the Securities and Exchange Commission;
- Firm up the organization development systems of the Foundation and subsequently spin it off upon completion of the USAID program;
- Invite MFIs, cooperatives, development organizations to invest and grow the resiliency fund, as well as participate in its preparedness activities

**Thank You!**