

FACT SHEET

Highlights of the Post-Disaster Needs Assessment (PDNA)¹

1. On a national scale, Typhoons Ondoy and Pepeng caused considerable damage and losses, estimated to amount to some \$4.4 billion US\$, or 2.7 percent of GDP. This is comparable in size with similar flooding and typhoon damages in other countries, and sufficiently large to have an impact on overall growth, poverty, and the fiscal position of the country, and affected regions.
2. Nearly 95 percent of the damage and losses was sustained by the country's productive and social sectors. This contrasts with other disasters in the Philippines and abroad in which destruction of infrastructure is predominant. The enterprise sector (industry, commerce, and tourism) was particularly hit, with US\$2.34 billion in damage and losses. The impact was felt mostly by micro- to medium-sized enterprises, which normally have limited or no access to credit.
3. Next are the agriculture sector with US\$ 849.3 million in damage and losses, and the housing sector which sustained an unprecedented degree of damage and losses amounting to US\$730.4 million. The storms came just before harvest-time and destroyed important irrigation systems. The floods affected many informal housing units erected in flood-prone areas.
4. A large share of the damage and loss—more than 90 percent—fell on the private sector. Public assets were less affected, but indirect losses, notably revenue losses, remain considerable. Private sector losses were particularly large in housing, agriculture and commerce.
5. The Philippines needs US\$4.42 billion for reconstruction and recovery from damage and losses over three years. The PDNA estimates that the public sector share in implementing the recovery and reconstruction program is estimated at 55 percent (US\$2.44 billion) and the private sector 45 percent (US\$1.99 billion). Financing can come from a variety of sources, including domestic budget, local government budgets, private sector contributions, and grants and concessional financing from development partners.
6. The financing needed is large, but the cost of doing nothing would be larger still. Given the constraints of the flood management system in Metro Manila and the possibility of increased frequency and intensity of typhoons and floods, such costs are expected to rise unless efforts are made to mitigate the effects of future disasters, the report said.

¹ *Typhoons Ondoy and Pepeng: Post-Disaster Needs Assessment* was prepared by a team of local and international experts from Philippine government agencies, private sector, civil society and development partners including the Asian Development Bank, the United Nations and the World Bank Group. For more information, please visit http://pdf.ph/pdna_1.htm

7. Preventing disaster impacts in the future requires attention to the governance of Filipino development in areas such as land use planning, housing, water management, environmental protection, and disaster risk management.
8. There is the need for a transparent, accountable, and results-based recovery and reconstruction program that will monitor activities, track funds, and evaluate projects and programs and report these to the public.
9. In implementing recovery and reconstruction, these areas stand out:
 - **Enterprise sector:** Helping the enterprise sector will require a mix of financing mechanisms to help small and medium-scale enterprises recover from damage and losses.
 - **Rural production:** Immediate restoration of rural livelihood before the end of the year to avoid loss of production during the dry season by rapidly repairing the damaged irrigation systems and clear the fields of accumulated gravel, silt, and sand.
 - **Flood management:** Given its vulnerability to flooding, protecting Metro Manila requires institutional changes, comprehensive planning, and investment in both restoration and infrastructure for effective flood management system.
 - **Housing:** The vast majority of damage to housing stock was concentrated in the informal sector, so reconstruction means providing better alternatives for informal settlers.
 - **Disaster Risk Reduction:** The existing disaster risk reduction system needs to become more proactive, coherent, and effective; and
 - **Local Governance:** LGUs should have the key role in implementing the recovery and reconstruction program and future measures to mitigate disaster risks.
10. The following are guiding principles for recovery and reconstruction. The purpose of these principles is to enhance the effectiveness of recovery and reconstruction efforts, increase transparency and accountability, and ensure that resources are translated into results on the ground.
 - A transparent, accountable, and results-based recovery and reconstruction program;
 - Community-based, people-centered, and equitable approaches; and
 - Reduction of future risks in recovery and reconstruction.

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