

Reducing Development Disruption through Disaster Management
Statement to be included in the
Medium-Term Philippine Development Plan (MTPDP)

It is recommended that the following statement be included as part of the next revision of the MTPDP, and be incorporated into the section titled Introduction (II. The Macroeconomy – to follow the sub-section on p.9 titled *Employment and Poverty*

Suggested title for new sub-section: *Reducing Development Disruption through Disaster Management*

It is generally accepted that the Philippines is one of the most hazard-prone countries in the world. Disasters devastate the gains of economic development. They destroy fixed assets and physical capital, interrupt production and trade, divert and deplete individual savings as well as public and private investments, put at risk livelihoods and possessions, as well as endanger lives. Hence, disasters also jeopardize the pace, direction and scope of national development plans. While the Philippines' basic task for the medium-term remains the reduction of poverty, it must be remembered that natural disasters in particular are a key cause of increased poverty.

A recent World Bank report¹ states that between 1970 and 2000, the Philippines incurred an average annual direct damage of P15 billion per annum (in real 2000 prices) as a direct consequence of natural disasters. This is equivalent to an average 0.7% of GDP every year. Even though this figure is unacceptably high, it may actually under-represent the real economic damage and the disruption to development plans wrought by disasters for several reasons². First, they are based on government damage assessment reports that only cover selected types of damage, focusing on damage to public property and to assets of lower income households potentially eligible for state assistance. Second, it is not clear if hazard impacts that are not officially declared as disasters are included in the figures. Third, there are an unknown number of lesser events that fall below the threshold for an event that can be deemed to constitute a 'disaster.

Moreover, the disaster potential for the Philippines is likely to increase unless dramatic government decisions are made. Concentrated population, inappropriate land use and unregulated environmental laws will further deteriorate the environment and exacerbate the impact of natural hazards.

Natural disaster management needs to be a core component of economic and social development, and not just a reflection of humanitarian assistance or a reflection of environmental concerns. In addition to specialized disaster

¹ The World Bank. 2003. Enhancing Poverty Alleviation through Disaster Reduction. Manila: The World Bank Group. Page 13.

² Ibid, page 15.

management agencies, which themselves need to be revamped and underpinned by an updated and more far-reaching legislation, effective disaster risk management will require attention and support from all government departments and agencies, as well as the private sector, non-governmental organizations and local communities.

Hence, a major strategy for the fulfilment of national development plans is the development of a national framework for comprehensive/integrated disaster risk management. This framework should provide for political leadership and policy support at the highest levels, while facilitating the active engagement and implementation of all relevant stakeholders at the national, local, and household levels. These actors should include public agencies, the private sector, and civil society at all levels.

A number of structural and non-structural measures to reduce risk from natural hazard, measures to strengthen emergency response capacity, and measures to promote a culture of resilience are identified in this Mid-Term Philippine Development Plan.