

# Business relocation as an urban early action: lessons and challenges from a simulation in the Philippines



## Expanding early actions to urban contexts

Since 2014, humanitarian organizations have rapidly increased their investments in anticipatory action to mitigate the impacts of events before they occur (see [IFRC 2020](#)). [At least 60 countries](#) [have anticipatory action programmes funded through mechanisms such as the Red Cross Red Crescent's \*\*Forecast-based Action by the Disaster Relief Emergency Fund \(FbA by the DREF\)\*\*, \[the United Nations' \\(UN\\) Central Emergency Response Fund\]\(#\) and the Start Network's \*\*Crisis Anticipation and Disaster Risk Financing\*\*.](#)

However, as of late 2021, most of the actions in Red Cross Red Crescent and UN anticipatory action plans targeted people living in rural areas – despite the fact that 55 per cent of the world's population lives in urban areas. As this number is projected to increase to 68 per cent by 2050 ([UNDESA 2018](#)), [combined with the dramatically changing climate, mitigating the impacts of hazards effectively will require anticipatory action programmes in urban areas.](#)

The Philippine Red Cross is among the first Red Cross Red Crescent National Societies to fill this gap. The idea to assist the owners of urban microenterprises before floods occur first arose during stakeholder consultations in 2019, when the Philippine Red Cross was still largely focused on rural settings. Microenterprises in the Philippines are often severely affected by flooding (see Box 1), with owners losing their stock to flood waters, and losing revenue due to disruption to sales.



A microenterprise selling essential food and commodities. © Philippine Red Cross

## Box 1. Hazards in the Philippines

As an archipelago of over 7,000 islands, and with more than 30,000km of coastline and 18 major river basins, the Philippines regularly experiences hazards including typhoons, floods, droughts, landslides, volcanic eruptions, wildfires, earthquakes and tsunamis. Of these, floods and typhoons accounted for 80 per cent of all natural hazards over the last 50 years ([UNDRR 2019](#)), [and climate change is expected to increase the frequency and intensity of hydrometeorological events.](#)

The impacts of these hazards include intense rainfall, strong winds and storm surges, which threaten people's lives and livelihoods through the loss of homes, crops and businesses. These contribute to negative coping strategies such as families missing meals, migrating, selling agricultural or household assets for food, and taking children out of school ([Israel and Briones 2014](#)).

In mid-2020, at the continued urging of people at Butuan City's Department of Trade and Industry, the Philippine Red Cross began designing early actions to prevent stock losses and enable customers to reach businesses during floods. During a [simulation exercise in July 2021](#), [the Philippine Red Cross tested the logistics of two early actions to relocate small shops in anticipation of floods.](#)

- Relocate the owners of small shops and a selection of their essential goods to evacuation shelters
- Load shop owners and a selection of essential goods into trucks that travel around the city as 'rolling stores'.

The evacuation of shop owners and essential goods to shelters takes place in *barangays*<sup>1</sup> that have established evacuation centres. However, in *barangays* that flood more severely, there is often nowhere to relocate to. In such instances, rolling stores were trialled as an alternative way to set up markets. In addition to allowing business owners to continue their sales, these early actions aimed to provide evacuees, or households whose movements are restricted by flood waters, with easier access to basic commodities during difficult times.

<sup>1</sup> The smallest administrative division in the Philippines.

With support from the German Red Cross, the 510 Initiative of the Netherlands Red Cross, the Finnish Red Cross, and the Red Cross Red Crescent Climate Centre, the Philippine Red Cross has been developing early action protocols (EAPs) for floods and typhoons since 2017. The [EAP for Floods](#), [☑](#) which includes these urban anticipatory actions, was approved on 28 June 2021, before the simulation outlined in this case study.

To capture the lessons from this first attempt at anticipatory action in an urban environment, this case study documents the steps taken to develop and test urban early actions, and the lessons learned to date from the design and simulation of these activities. The lessons are based on a focus group discussion held with key stakeholders that took place before the simulation, and nine interviews with key informants, including Philippine Red Cross staff and volunteers, government officials, project partners and community leaders involved in the simulation (Box 2).

## Box 2. Reflections on urban early actions: a local government representative

*“Observing in the past, government assistance usually focused on affected residents in the area... but, specifically the business[es] really suffered so much... your whole merchandise goes under water. Usually, small or micro businesses in the area are into retail trading, trading of the basic[s]. We call it the basic necessities and prime commodities – those essential food items that they need for survival. And during times of flooding, it just goes down the drain and these businessmen or women do not have the chance of recouping, nor recovering, back the damaged items that they have [lost]. They have no insurance, for a fact. So, when I was introduced to this project, I admired the thought, that wow, this is something new.”*



### Setting up the urban early actions

The idea of relocating small businesses ahead of floods arose during stakeholder consultations for the flood and typhoon EAPs in 2019. After deciding to move forward with urban early actions in mid-2020, the Philippine Red Cross began a year-long process of stakeholder engagement, data collection and testing. Figure 1 (page 3) depicts the timeline of events.

<sup>2</sup> The Philippine Red Cross first convened the core group in 2018 to permit coordination on the development of the EAPs.

<sup>3</sup> The elimination of stores with refrigerators proved too restrictive, so eventually these stores were included.



A vendor relocated during the simulation sells food to displaced consumers. © Philippine Red Cross

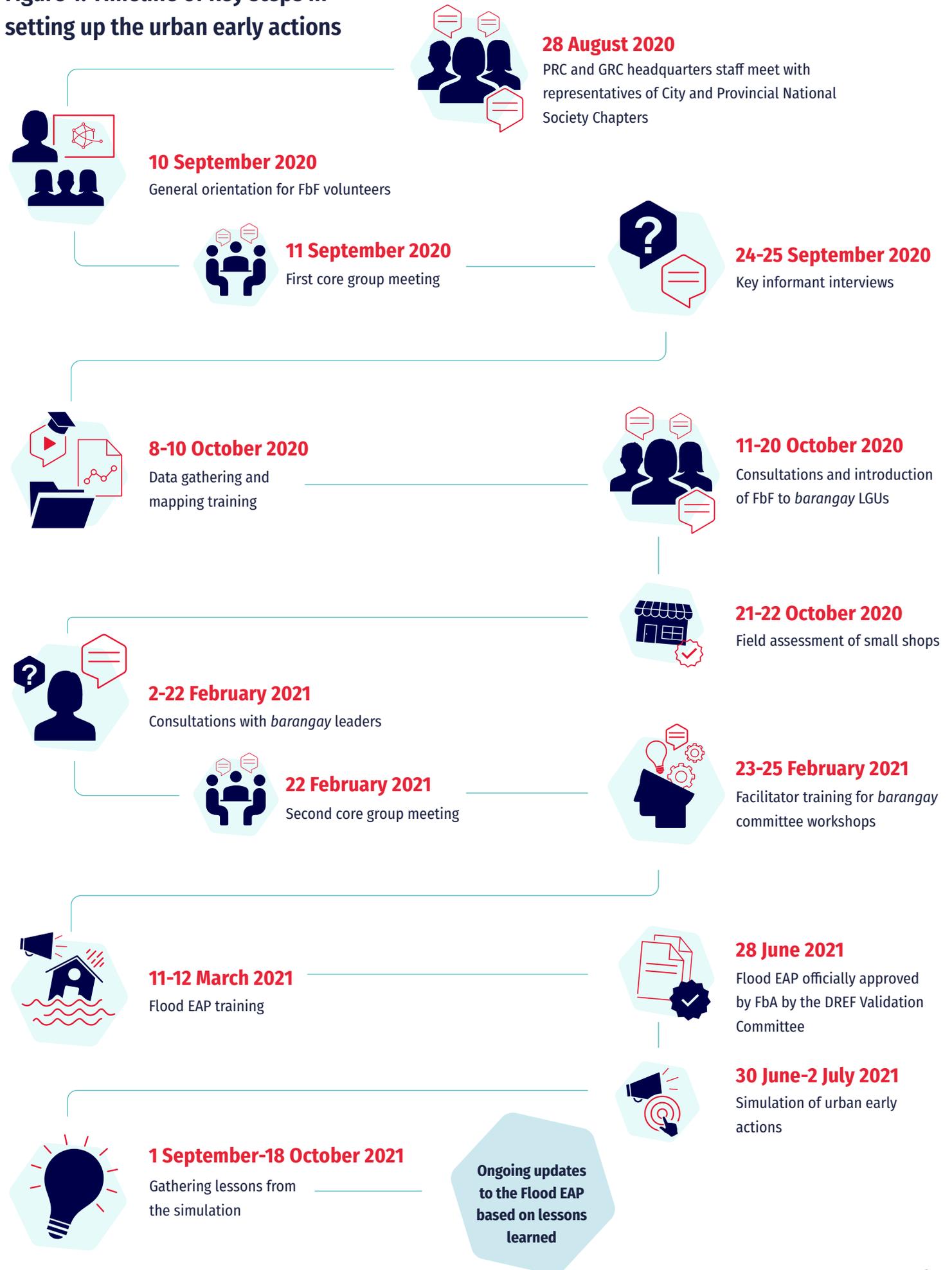
The process began on 28 August 2020, when staff from the Philippine Red Cross headquarters and the German Red Cross met with representatives from the Provincial and City Red Cross Chapters to begin planning. A few weeks later, the Philippine Red Cross called a meeting of the forecast-based financing (FbF) core group, which comprises disaster management stakeholders from the city, local and provincial levels, to discuss the addition of these urban early actions to the draft EAP for Floods.<sup>2</sup> Key informant interviews with local business owners took place on 24-25 September to understand their experiences of flooding.

In early October, the Philippine Red Cross trained 20 volunteers in the use of [Open Data Kit](#) [☑](#) and [OpenStreetMap](#) [☑](#) to screen potential businesses to be covered by the early actions. Meetings were also held with *barangay* leaders to explain the purpose of the intervention and the intention of the wider FbF programme. Later in October, 22 volunteers surveyed 670 micro-enterprises. Using selection criteria (see Box 3), the Philippine Red Cross developed a list of more than 250 priority businesses in seven urban *barangays*. Vendor maps were also developed for each *barangay* (Figure 2, page 4).

## Box 3. Selection criteria for prioritizing businesses

- They sell perishable goods
- They have no other permanent source of income (i.e., employment with a fixed salary)
- They do not have large assets, such as a vehicle for transportation or equipment<sup>3</sup>
- Their financial assets are lower than 10,000 Philippine pesos (approximately 198 US dollars)
- They have been residents of the high-risk *barangay* for at least six months
- Their stores are weak structurally (e.g., made of wood, or easily washed away in floods)
- They lack insurance or access to insurance (optional criteria)

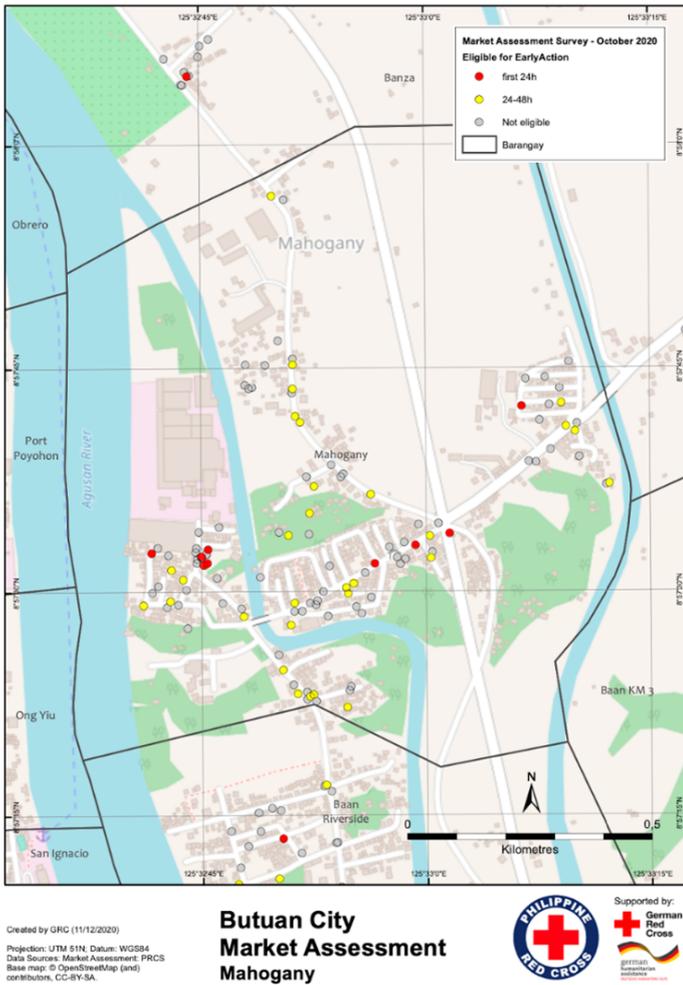
**Figure 1. Timeline of key steps in setting up the urban early actions**





## Improvements to the urban early actions

Figure 2. Map of businesses in Mahogany barangay



Based on this simulation exercise, key informants recommended that the Philippine Red Cross consider the following modifications to their urban early actions.

- Use terminology carefully. For example, before this pilot, the EAP referred to the relocation of small and medium enterprises (SMEs). However, the definition of an SME in the Philippines includes businesses with a value of up to 300,000 US dollars, whereas the Philippine Red Cross was targeting businesses with assets worth less than 300 US dollars; this caused some confusion about who was eligible for anticipatory assistance. As a result of stakeholder feedback, the Philippine Red Cross decided to adopt the term ‘microenterprise’ to more accurately reflect that these early actions only target the smallest businesses.
- Increase volunteer and community training to ensure that volunteers actively participate during an activation (rather than merely observing Philippine Red Cross staff) and that targeted businesses understand and appreciate the concept of anticipatory action, rather than expecting cash or assistance with rebuilding their lost storefronts. The Philippine Red Cross should prioritize simulations in the remaining five *barangays* (of the initial seven) that are covered by the urban early actions, so that they all have experience of an activation and understand what it will look like.
- Increase coordination with, and outreach to, *barangay* leaders. Unlike city officials, *barangay* leaders were brought into the process relatively late. As a result, the assistance provided was not always well understood or in alignment with *barangay* disaster management plans. Many *barangay* leaders are more oriented towards disaster response and relief, and would prefer support for relief plans rather than support for minimizing impacts. Therefore, more efforts are needed to align and integrate anticipatory actions for floods with communities’ needs.
- Provide smaller bags for transporting store merchandise. This will facilitate transport, especially during potentially rainy pre-flooding conditions.
- Use larger vehicles for evacuating merchandise, as vendors may not be able to transport enough goods in smaller vehicles to meet needs at the evacuation centres.
- Provide coolers or insulated containers with ice to keep meat and other perishable goods fresh.
- Provide vendors with change (i.e., coins) and low-denomination bills so they can accept whatever bills people have for payment. Running around looking for change will not be possible during an emergency.

In February 2021, the Philippine Red Cross met again with *barangay* officials to finalize the selection of local businesses to be included in the early actions, answer questions from community members, and create *barangay* committees (i.e., the representatives responsible for assisting during an activation).

On 22 February, the FbF core group met to discuss activation training and the simulation, which was to be held in June 2021. From 23-25 February, the Philippine Red Cross’ existing FbF volunteers facilitated training sessions for the newly established *barangay* committees to introduce them to the history of the Red Cross, outline their roles and responsibilities, and explain the upcoming anticipatory actions.

On 11-12 March, the Philippine Red Cross provided further training for seven volunteers, seven *barangay* representatives and representatives of the Butuan local government unit (LGU). This focused on the details of activating the EAP for Floods in Butuan City. After delays because of the ongoing COVID-19 pandemic, the Philippine Red Cross simulated an urban activation in July 2021. Lessons from this activation will be used to update the EAP for Floods the next time it is submitted to the FbA by the DREF and to incorporate the relocation of microenterprises into the EAP for Typhoons.



## Differences between urban and rural early actions

Many of the key informants for this study have been involved in designing and testing early actions in rural settings. As a result, they could reflect upon the opportunities and challenges of urban early actions compared to rural settings.

The concentration of stakeholders and beneficiaries in urban areas can be both an advantage and a challenge for planning urban early actions. On the positive side, Philippine Red Cross staff did not need to travel long distances or plan lengthy trips to consult with government representatives and community members. Proximity also facilitates regular interaction, as well as any data collection and assessments that need to be carried out. On the other hand, key informants felt that people in urban settings often have busier lives, with more competing demands on their time and greater access to other resources or programmes. As a result, they may be less enthusiastic about participating in meetings and simulations. Furthermore, because the Philippine Red Cross' activities are often focused on rural areas, staff have stronger relationships with LGUs and community leaders there, which facilitates initial cooperation and the alignment of activities.

An urban environment can increase the challenges associated with identifying, prioritizing and selecting beneficiaries. Pre-identifying potential beneficiaries is important to save time in both rural and urban environments. It enables volunteers to quickly validate and select beneficiaries in the window between a forecast and the hazard's impact. But, based on the experience of this and other simulations, small businesses change locations more frequently than households or families, complicating the beneficiary-selection process. This means that the Philippine Red Cross may need to update its beneficiary lists more often, and that pre-event validation during an activation may take on greater importance.

The process for selecting early actions was quite different to the process typically used in rural settings. Rural early actions in the Philippines and elsewhere have always been selected based upon an extensive process of investigating and prioritizing hazard impacts, identifying early actions that might mitigate those harmful effects, and narrowing early actions based on feasibility and other selection criteria.<sup>4</sup> For these urban early actions, by contrast, the idea to relocate small shops emerged from conversations with city leaders in Butuan. And rather than being devised from extensive research into the primary impacts of flooding and an exhaustive list of potential early actions, the Philippine Red Cross decided to test this urban early action based on stakeholder enthusiasm alone.



## Recommendations for successful urban early actions

Stakeholders at the Philippine Red Cross often **emphasize the importance of taking time to build relationships**,  and to involve government and community partners in all stages of project design and implementation (Box 4). The key informants for this study provided several further suggestions on how to ensure the success of urban early actions in other contexts, based upon their experiences.

### Box 4. Relationships matter: perspectives from a Philippine Red Cross representative

**“Firstly, [for] the activation... the Red Cross National Society cannot do it alone, and we should be doing it with all our partners: all the cities, all the actors on the ground are all our partners. And... we should not let the community feel that we are just there to help. If, from the first step, the community [is] already involved [in] the choosing of beneficiaries... then they will be more receptive [to] the activities that we are going to do in line with our urban early action.”**

To overcome the challenge of working with busy urban populations, early action stakeholders suggested piloting and testing activities with communities or neighbourhoods with a reputation for positive participation and engagement in previous government or Red Cross programmes. In the case of Butuan, that meant consulting with the city government to identify *barangays* with active community leaders and associations. Philippine Red Cross staff and volunteers felt this was essential to securing participation in simulations. Furthermore, scheduling meetings to coincide with existing government meetings meant higher attendances and a wider audience.

Because of the high turnover of businesses, people's competing priorities, and the relative newness of early actions, project stakeholders felt that it was particularly important to repeat training and simulation exercises in urban environments. Repeated exposure to the concept of anticipatory action should help both volunteers and community members to understand activation processes and appreciate the value of the initiatives, eventually leading to better integration with disaster plans at all levels.

<sup>4</sup> For details on this process, [see the FbF manual](#). 



## Unresolved challenges and next steps

Based on this experience in Butuan, several plans for expanding early actions are under way. The local government in Butuan is developing a memorandum of understanding with the Philippine Red Cross to allocate its own funds to relocate additional businesses in case of an activation in 2022. The government of Agusan del Norte province is also planning to expand urban anticipatory action to the city of Cabadbaran.

Despite these promising developments, several challenges still need to be resolved. As investment in urban early action grows, there is still much to learn about how best to identify and prioritize potential early actions in an urban setting. For example, key informants were quick to point out the challenges in conducting extensive analysis and prioritization of all potential early actions. As populations increase, there is ever greater diversity in livelihoods and interests. It could also become more difficult to engage communities and identify specific target populations. Pre-selection of beneficiaries raises further challenges, for which solutions are still being sought. For example, the process for screening and then validating beneficiaries is lengthy and resource intensive. Furthermore, there is high turnover among the owners of small shops in Filipino markets, as people regularly relocate or move on in response to changes in family situations, illness or other job opportunities. When planning for the simulations in May and June 2021, Philippine Red Cross staff and volunteers discovered that many of the businesses registered as beneficiaries only nine months earlier were no longer in operation. To address this problem, informants recommended updating the list of eligible shops at least once a year, but it remains unclear how the Philippine Red Cross will obtain the human or financial resources to update lists before each flood season.

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**A series of short videos about early actions in the Philippines is available [here](#):** 

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