

The impact of the Nino phenomenon on livelihoods in Bolivia

Preliminary results of the joint FAO-ILO post-disaster livelihood assessment, 9 April - 4 May 2007

First Session of the Global Platform
for Disaster Risk Reduction

Geneva, 5-7 June 2007

FAO-ILO ASSESSMENT MISSION

- The FAO-ILO assessment team worked in Bolivia from 9 April to 4 May 2007
- The objectives were to:
 - Assess the impact of the Nino phenomenon on livelihoods
 - Assess the available capacities and the opportunities for kick-starting recovery of affected livelihoods
- Field work was conducted from 12 to 25 April

COMPOSITION OF THE MISSION

- Andrea Visinoni, Team leader (consultant FAO)
- Laura Wilkinson, Livelihood Specialist (consultant FAO)
- Monica Castillo, Labour Market Analyst (ILO Regional Office in Lima)
- Francesca Battistin, Capacity Building for Early Recovery Specialist (ILO CRISIS, Geneva)

ILO-FAO LIVELIHOOD ASSESSMENT TOOLS

- Conceptual reference: Sustainable Livelihood Framework
- The ***Livelihood Assessment Toolkit*** (LAT). It consists of: (1) *Livelihood Baseline Information*, which is ideally to be compiled prior to the disaster; (2) the *Immediate Livelihood Impact Appraisal*, which is undertaken immediately after the disaster; (3) the *Livelihood Assessment*, which is to be implemented within the three months following the disaster
- The ***Livelihood Assessment and Response System*** (LARS). Besides the LAT, it comprises as well: livelihood assessment preparedness, and planning of post-disaster interventions
- LARS and LAT are integrated within the interagency ***Post-Disaster Needs Assessment***, coordinated by UNDP under the umbrella of the Cluster Working Group on early Recovery (CWGER)

TYPES OF ANALYSIS CONDUCTED (1)

1. The impact of the Niño phenomenon on labour market and employment in the country

- Focus: This consists of a quantitative estimation and analysis of the impact of the disaster on employment, by using statistic instruments and methodologies
- Major features: Provides baseline information; National-wide analysis; Level of disaggregation: department; Describes the overall context and considers the whole territory affected by the recent disasters in Bolivia
- Content: (1) Projection of the total population, (2) projection of the Economic Active Population by gender and department, (3) occupied persons by gender and department, (4) occupied persons by gender and economic activity and (5) lost income and working months by department; (6) distribution of the job loss among occupational categories
- Sources of information: principally secondary quantitative information provided by (among others) the National Institute for Statistics (INE), the Unit for Analysis of Social and Economic Policies (UDAPE), the Centre for Emergency Operations (COE), the Departmental Centre for Emergency Operations (COED) in Santa Cruz, the Ministry of Labour, the Ministry of Rural Development, the Chamber of Commerce and Industry of Santa Cruz (CAINCO)

TYPES OF ANALYSIS CONDUCTED (2)

2. In-depth **case studies** focused on livelihood assessment within selected affected areas, settlements and households
 - Focus: qualitative analysis, considering both the impact on livelihoods and the available local capacities, coping strategies and opportunities for recovery
 - Major features: Selected affected areas; Level of disaggregation: community and household; Case studies corroborate and cross-check the validity of the quantitative analysis on labour market and employment, by “zooming in” on specific situations encountered on the ground at the micro level; Detect major differences, specificities and cases of particular vulnerability within the macro picture described by the quantitative-type analysis of the affected labour market
 - Content: Variables observed: hazards and major disaster risks of the territory, disaster management at the local level, dynamic of the events triggering the disaster, local assets/strengths and liabilities/weaknesses of the territorial capital which involves human resources, natural resources, (monetary and in kind) income flows, public physical capital, private physical capital which produce/not produce income; institutional resources, social dynamics, political dynamics. Analysis is undertaken by distinguishing between the situation before the disaster and the situation after the disaster
 - Sources of information: individual interviews and focus group discussions with key informants at various levels: Departmental, Provincial, Municipal, community, household. These included: authorities, institutions, NGOs, Community-Based Organizations (members and leaders), traders, employers and workers in agriculture and livestock, workers within the transport sector, heads of households

SELECTION OF THE AREAS FOR CASE STUDIES

- Aspects considered: (1) geographical magnitude of the problem, (2) accessibility, transport requirements and constraints; (3) floods counted for the 65% of the total amount of affected population and have turned to be the most severe type of disaster of this season in Bolivia
- Selection criteria:
 - Magnitude and dynamic of the disaster
 - Environmental, climatic and morphologic diversity of the territory
 - Cultural and ethnic differences
 - Typology and form of land use

SELECTION OF SETTLEMENTS AND HOUSEHOLDS

- Random sampling modality, within the areas selected for the assessment, as well as
- Reference to suggestions and guidance of several key informants, within and outside the assessed area/community

ITINERARY

- **Department of Santa Cruz:**

- Area: *Bloque del Norte Integrado Cruzeno*
- Municipalities: Okinawa, Portachuelo, Buena Vista, San Juan de Yapacaní, Yapacaní, Urubichá
- Localities: Guadalupe, Puerto Nuevo, Bañadito, La Enconada, San Germán, Puerto Grether, Puerto Pallar, Sipím (Mónica), Cururú

- **Department of Cochabamba:**

- Area: *Tropico de Cochabamba*
- Municipalities: Puerto Villarroel (Ivirgarzama)
- Localities: El Palmar

- **Department of Beni:**

- Area: *Llanos de Moxos*
- Municipalities: Trinidad, San Ignacio de Moxos, San Andrés, Loreto
- Localities: Villa Alba, Sachojere

ECONOMIC PROFILE OF BOLIVIA

- GIP growth rate (2004-2005): 4,1%
- Major economic activities: (i) industry (16.6%), (ii) agriculture (14.5%), (iii) establecimientos financieros, seguros, bienes (12.8%); y (iv) transport, communication (11%)
- Highest growth rate: agriculture*

*excluding the production of coca leaves

AFFECTED POPULATION

- 8 departments out of 9 were affected, though with different magnitude of the impact
- Rural areas: the most affected
- More than 100 municipalities affected. These municipalities counts for the 40% of the total population of Bolivia
- Particularly vulnerable populations: living in the Amazonas cuencas
- Aproximately 754,000 persons were affected directly or indirectly (7.8% of the total population of Bolivia): Santa Cruz (179,400), Beni (170,700), and La Paz (119,340).
- Out of these 754,000 persons, 65% were affected by floods

IMPACT ON THE ECONOMIC ACTIVE POPULATION (EAP)

- 360,000 economically active persons were directly and indirectly affected. The three most affected Departments:
 - Santa Cruz: 88,038
 - Beni: 77,252
 - La Paz: 59,692

Beni: 20.4% of the departmental EAP has been affected. With respect to this variable, Beni is the most affected department in relative terms

VULNERABLE EAP

- Calculated by multiplying the affected EAP by the percentage of poor people in the Department
- Vulnerable EAP: 180,601 persons country-wide
- La Paz, Santa Cruz, Potosí, Beni and Cochabamba were the most affected in absolute terms

THE IMPACT ON EMPLOYMENT

- Impact: loss of job or of working hours
 - Direct: due to capital loss
 - Indirect: due to the reduction of linked productive/commercial activities
- Country-wide: 296.976 jobs lost, which is equivalent to 6.8% of occupied persons before the disaster
- 89% of affected occupied persons work in the agriculture sector; 8.0% in trade; 6.9% in transport and in 3.6% industry.

THE IMPACT ON INCOME

- Total amount of nominal income lost: Bs/ 974 millions.
- In average affected occupied individuals lost Bs/ 3,280, which corresponds to the average income for 6,5 working months

PRICES TRENDS

- Prices of basic products have registered positive variations between 20 and 100%.
- The highest increases were observed in the most isolated areas, for example because of interrupted roads and as a consequence of the increase of transport costs (e.g. San Ignacio de Moxos – Beni)
- Products/services with the highest increase in price: rice, yuca, meat
Particularmente elevada ha sido el aumento de los precios de arroz, yuca, carne, gas, transport
- Current trends point out a reduction of these prices

Bloque del Norte Integrado Cruceno (Santa Cruz)

- Major problems detected

Trinidad (Beni)

- Major problems detected

Llanos de Moxos (Beni)

- Major problems detected

STRATEGIC AXES OF INTERVENTION (1)

1. Early recovery of affected livelihoods and generation of emergency employment in affected urban and rural communities
 - Strategic objectives: (a) reduce dependency from aid and support the return to normalcy; (b) introduce immediate solutions for the recovery of the damaged physical capital
 - Focus: to address the consequences and damages provoked by the disaster
 - Type of activities: (i) cash for work within projects of basic infrastructure rehabilitation; (ii) cash grants, tools and seeds distribution for micro-productive activities destined to self-consumption and .

STRATEGIC AXES OF INTERVENTION (2)

2. Local economic recovery and generation of medium-long term employment in infrastructure works
 - Strategic objectives: (a) Optimize the use of public investments in rehabilitation and reconstruction works by leveraging the absorption capacity of the local markets; (b) reactivate local productive and commercial businesses

STRATEGIC AXES OF INTERVENTION (3)

3. Disaster risk reduction in the framework of local development strategies in high risk areas
 - Strategic objectives: (a) reduce the cumulated vulnerability; (b) promote legislative frameworks which impede the construction of risk; (c) eradicate the causes of vulnerabilities
 - Focus: to address the weaknesses of the development strategies which have led to the disaster
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