

ABND in the Philippines:

Summary of the bilateral meetings with DOLE, NEDA and PSA

24–25 November 2014

Costing of scenarios using the Rapid Assessment Protocol (RAP)

The recommendations that were verified during the previous bilateral meetings and core group workshops are either qualitative or quantitative in nature. Quantitative recommendations are those such as introducing new benefits, increasing benefit levels, expanding coverage, among others. These are converted into practical scenarios with defined parameters, and their cost over the next 5-6 years is estimated using a costing tool known as the RAP. This helps provide realistic cost estimates and prioritize potential policy options.

A recommendation may be converted into more than one scenario, each with different parameters such as different benefit levels, different durations of benefits, etc. A low scenario denotes the least benefit provisions, while a high scenario denotes the highest benefit provisions.

ILO prepared an initial draft of the scenarios and the RAP model. These were presented to and discussed with the following departments and agencies in bilateral meetings:

1. National Economic and Development Authority (NEDA)
2. Philippine Statistics Authority (PSA)
3. Department of Labor and Employment (DOLE)

A summary of these bilateral meetings has been presented in the subsequent pages.

Meeting with National Economic and Development Authority

24 November 2014

Participants

- NEDA (Girlie Casimiro, Dune Aranjuez, Tom Javate, John Geronimo, Elaine Ceralde)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

The draft scenarios for all four components of social protection – social insurance, social welfare, social safety nets and labour market interventions – were discussed during the meeting.

Social insurance

Health

- Inputs from PhilHealth should be obtained for the scenarios on subsidizing social insurance premiums and expanding the PhilHealth benefit package to include testing for HIV among non-declared cases.
- Rather than subsidizing the social insurance premiums for all informal sector workers (including the self-employed and professionals), the premiums should be subsidized only for poor and near-poor informal sector members, and those poor members who are not covered by the National Household Targeting System for Poverty Reduction (NHTS-PR). There is a study conducted by the Department of Social Welfare and Development (DSWD) which could provide guidance on how to define the near-poor.
- Providing voluntary counselling and testing (VCT) for HIV twice a year under PhilHealth to the entire sexually active population will be expensive. Instead, VCT could be provided to the most-at-risk population, including males who have sex with males, injecting drug users, female sex workers and their clients. Studies on identifying the most-at-risk population have been conducted by the National Epidemiology Center (NEC) of the Department of Health (DOH) and UNAIDS. These could be used for targeting beneficiaries under this scenario. The Young Adult Fertility and Sexuality (YAFS) Study could also be referred.
- It was mentioned that if VCT for most-at-risk population is paid for by the PhilHealth fund, the latter might increase its premium payments.
- On the other hand, if VCT is implemented under the existing circumstances without any additional contribution or funds outlay from the government, it should not be counted as a scenario, as it will not entail any additional cost for the government. This point remains to be resolved.

Working age

- Regarding the introduction of an employment insurance scheme for private sector workers, the current unemployment benefits and member contributions under the Government Service Insurance System (GSIS) should be studied.
- Different funding scenarios could be developed wherein the government subsidizes the premiums for public sector employees and employers subsidize the premiums for private employees. However, the development of such scenarios needs to be discussed further, as GSIS already has an unemployment and separation benefit system in place for public sector employees.
- A government subsidy for social insurance premiums targeting the informal sector should be discussed with the Social Security System (SSS) in order to get their ideas and inputs.

Social welfare

Children

- DSWD should be consulted about developing a policy scenario on providing a fortified cereal mix to 0-2 year old children under the 4Ps, and also to obtain the number of 0-2 year olds covered by the programme.

Elderly

- An additional scenario could be designed and computed, wherein the current target group (77 years and older) receives a social pension of P750 per month. Currently, the benefit amounts to P500 only.

Others

- It was proposed that the National Council on Disability Affairs (NCDA) should be contacted to get their inputs on a social allowance for all persons with disabilities (PWDs). The NCDA is conducting a study to come up with a common definition of disability, as various definitions are currently in use. Moreover, there is no comprehensive database in existence that captures information on all PWDs.

Social safety nets

Working age

- One of the scenarios on public works programmes should provide work replacement for agricultural workers during the lean season. The Department of Agriculture (DA) should be consulted about the definition and duration of the lean season in the Philippines.

Labour market interventions

Working age

- It could be inefficient and resource-consuming to provide a daily sustenance allowance to all low-income people enrolled in courses of the Technical Education and Skills Development Authority (TESDA). It was proposed to prioritize beneficiaries who are enrolled in enterprise-based training programmes, apprenticeships and other longer duration courses. Several training courses run only for 1-2 days and these should not be part of the target group.
- TESDA should be consulted to decide on a basis for the allowance amount.

General remarks

- The availability of statistical data and projections was discussed. Various data figures and data breakdown are still missing in the RAP model. The Philippine Statistics Authority (PSA) was identified as the go-to agency for obtaining data.
- Additionally, specific data such as minimum wage and TESDA enrolment, and public school enrolment could be obtained from DOLE and the Department of Education respectively.
- It may not be a good idea to target beneficiaries of social welfare schemes through NHTS-PR in the scenario, as data collection for NHTS-PR has only been done once. The second survey round is planned for 2015. Data on the poor population may also be obtained from the consolidated version of the Community-Based Monitoring System (CBMS) of the Department of the Interior and Local Government (DILG).

Meeting with Philippine Statistics Authority

25 November 2014

Participants

- PSA (Manuel Laopao, Luzvimindra S. Mitra, Carmelita Destreza, Charles Miraflores)
- ILO (Lourdes Macapanpan, Loveleen De, Katharina Bollig)

Main points of interest

The focus lay on the RAP model, which is used to compute the cost of various policy scenarios. Moreover, it was also discussed where to find missing data and methods that could be used to project data.

Demographic Framework

- The relevant official from PSA should be contacted to obtain single-age breakdown of population data and projections.

Economically Active Population

- Breakdown of labour force by age group is only available for three age groups, i.e. youth (15-24), prime age (25-54) and 55+. Breaking it down further into smaller age groups might render the data statistically insignificant, due to the small number of observations per age group.

Macroeconomic Framework

- For certain economic indicators such as inflation, GDP growth rate and unemployment rate, projections from international data sources such as the International Monetary Fund World Economic Outlook (IMF WEO) may be used, as long as they make the projections on the basis of historical data from the National Statistics Office (NSO).
- For other economic indicators where projections are not available from national or international data sources such as poverty line and poverty rate, projections may be computed based on historical trends from NSO data.
- In the Philippines, vulnerable employment is a proxy for informal sector employment. It was recommended that for vulnerable employment, data from NSO until 2013 should be used, and projected on this basis. This is preferable, as according to international sources such as the ILO Trends Econometric Models, the projected share of vulnerable employment is significantly higher.

- Minimum wages are calculated on a regional basis and no national minimum wage exists. Thus, it was proposed to use the lowest regional minimum wage and the highest regional minimum wage to come up with a cost range stating the minimum and the maximum cost of a policy scenario. Moreover, the National Wage and Productivity Commission (NWPC) might provide guidance on how to develop such scenarios.

General Government Operations

- The Philippine Statistical Yearbook 2013 cites sources from where data included in the yearbook has been received. These sources might be helpful in collecting missing data.

General remarks

- Overall, calculations should be based on data collected from national government agencies rather than international organizations, as far as possible.
- For any indicator, simple projections or extrapolations based on historical data are preferable to using data from different sources.
- Data sources in the RAP model should be specified as the department or agency which provides the data to PSA.

Meeting with Department of Labor and Employment

25 November 2014

Participants

- DOLE (Assistant Secretary Katherine Brimon, Ahmma Charisma L. Satumba, Adeline De Castro, Stella Z. Banawis, Claudine B. Rodriguez, Cyrus C. Policarpio)
- ILO (Concepcion Sardana, Lourdes Macapanpan, Loveleen De, Katharina Bollig)

Main points of interest

The draft scenarios for social insurance and social safety nets were discussed during the meeting. Moreover, the next steps of the ABND process were discussed, and the work plan and timeline were updated.

Social insurance

Health

- Inputs from PhilHealth should be obtained for the scenarios on subsidizing social insurance premiums and expanding the PhilHealth benefit package to include testing for HIV among non-declared cases.
- Rather than subsidizing the social insurance premiums for all informal sector workers, the scenario should target only vulnerable and underemployed informal sector members. Similar categorization was done in 2012, and the relevant data will be provided by DOLE.
- Additionally, PhilHealth has existing initiatives to provide easy access to health care for the poorest. Members under such initiatives should be excluded from the target group as well.

Working age

- According to DOLE, job search assistance is a crucial part of any employment insurance scheme. Such assistance could be funded through the emergency employment and Adjustment Measures Program (AMP) budgets. The corresponding recommendation should be converted into two scenarios – (i) passive labour market policy, such as introduction of employment insurance; and (ii) active labour market policy, such as training and job search assistance. However, the latter falls under labour market interventions and it remains to be resolved whether additional training and assistance services through TESDA and Public Employment Service Offices (PESOs) should be provided or if the current PESO services should be expanded.
- For the cost estimate of an employment insurance scheme, a study conducted by the Institute for Labor Studies (ILS) and funded by the Asian Development Bank (ADB) could

provide insights into its set-up options. The study includes benchmarking of the ASEAN countries.

- Also, the Social Security System (SSS) has a study on providing unemployment allowance for 6 months.

Social Safety Nets

Working Age

- Programmes for disadvantaged and displaced workers under the Tulong Pangkabuhayan sa Ating Disadvantaged Workers (TUPAD) are already in place. These provide work for 10 to 30 days.
- The Community-based Employment Program (CBEP) targeting poor skilled and low-skilled workers in the local community can run for up to 80 days in case of contingencies such as disasters and unemployment.
- As no national minimum wage exists, but only regional wages, the minimum wage levels of regions IVA - CALABARZON, III – Central Luzon, VII – Central Visayas and XI – Davao could be used as proxies. The minimum wage of the National Capital Region (NCR) is not a good proxy, as it is much higher than most regional wages.

Work Plan

A timeline for the next steps and activities under the ABND process was agreed upon, as shown below.

Activities	Timeline
Present ABND work plan to HDPR Cluster meeting (as requested by the Secretariat)	27 November
Present ABND to all DOLE Regional Directors	28 November 2014
Prepare draft costing (“RAP model”) (c/o Loveleen)	December 2014
Present ABND to all NEDA Regional Directors	2 December 2014
CG meeting to conceptualize Area-wide consultations/ presentation of RAP model	22 December 2014
Bilateral meetings to discuss recommendations and costing (“RAP model”) 1 - PHIC, SSS, GSIS, DSWD, TESDA; 2 - CBEP	January 2015
Present ABND matrix to SC-SP and SC-IS (joint meeting)	January 2015
Area-wide consultations in Luzon, <u>Visayas</u> , Mindanao (through the RDC)	January and February 2015
Present final recommendations in National ABND workshop	February 2015
Prepare draft ABND report	March 2015
Finalize ABND Report	April 2015