

ABND in the Philippines:

Summary of the bilateral meetings with DOLE, DSWD, NEDA, NAPC, SSS, GSIS, PhilHealth and UNICEF

19-27 August 2014

Validation of the ABND matrix

The ABND matrix lists the existing social protection, poverty alleviation, employment promotion and disaster relief programmes in the Philippines. It also identifies policy gaps and implementation issues, and recommendations for establishing a Social Protection Floor (SPF) for all people in the country. A draft version of the matrix was developed by the ILO based on literature reviews and preliminary information provided by various government departments in the Philippines. This draft was then verified in bilateral meetings with the following departments and agencies:

1. Department of Labor and Employment (DOLE)
2. Department of Social Welfare and Development (DSWD)
3. National Economic and Development Authority (NEDA)
4. National Anti-Poverty Commission (NAPC)
5. Social Security System (SSS)
6. Government Service Insurance System (GSIS)
7. Philippine Health Insurance Corporation (PHIC or PhilHealth)
8. United Nations Children's Fund (UNICEF)

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

Meeting with Bureau of Workers with Special Concerns (BWSC), Department of Labor and Employment

19 August 2014

Participants

- BWSC (Cheekee Gonzales, Julieta A. Boquia, Cyrus C. Policarpio, Zydney C. Cresino)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

The discussion largely centred on social safety net programmes and labour market interventions provided by DOLE.

Social safety nets

The DOLE Integrated Livelihood and Emergency Employment Program (DILEEP) comprises employment and livelihood support measures for disadvantaged, displaced and vulnerable workers, and victims of disasters.

Policy gaps

- Limited coordination and harmonisation between various disaster response schemes run by different departments (e.g. DILEEP and the Cash for Work programme by DSWD) lead to duplication of benefits and efforts, and is a policy gap.

Implementation issues

- Lack of capacity at the local level and high staff turnover, leading to changing focal points and slower implementation of programmes, is a concern.
- The existing reporting and monitoring mechanisms are complex and difficult to use.

Recommendations

- Conducting capacity building initiatives in the area of programme development and management, training and hiring of manpower at the local level were identified as relevant recommendations.

Labour market interventions

DILEEP also includes labour market interventions (LMIs) such as training, facilitation of wage employment and entrepreneurship support. In addition, DOLE provides training and employment facilitation through the Technical Education and Skills Development Act (TESDA) programmes,

Philippine Job Exchange Network (PHIL-JobNet), Public Employment Service Offices (PESOs), and other measures.

Policy gaps

- The sustainability of some DILEEP programmes is questionable as the financial allocations vary from year to year.
- There is high turnover of PESO managers as they may change with every change in administration.

Implementation issues

- Not all PESOs are active, particularly in remote areas, and only a few of them are institutionalized, mainly in large local government units (LGUs). Moreover, the communication and information flow between PESOs and national / regional offices is limited.
- An inadequate number of accredited co-partners for programme implementation in local areas was also identified as an issue.
- The training courses offered by TESDA are not suited to beneficiaries from local communities, since they focus on formal businesses and enterprises, and OFW-related jobs.
- PHIL-JobNet currently does not track whether persons who access the system are finally hired by companies.

Recommendations

- Institutionalization of PESOs in LGUs and strengthening of their communication, monitoring and reporting systems are required.
- Expansion of community-based training modalities of TESDA with more relevant courses for workers in rural areas, is needed.

General remarks

A challenge facing the overall social protection system in the Philippines is the difficulty in registering members and collecting contributions, especially from the informal sector.

Meeting with National Economic and Development Authority

19 August 2014

Participants

- NEDA (Girlie Casimiro, Elaine Ceralde)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

NEDA collated comments on the draft matrix from focal points in different departments and agencies, and suggested modifications to the matrix, including policy gaps, implementation issues and recommendations, as outlined below.

Policy gaps

- Overlaps between various programmes and limited coordination among agencies are major gaps. No single agency oversees all programmes and processes.
- A single poverty targeting mechanism across schemes is not used.
- The Social Pension for Indigent People is supported by a limited budget and does not cover elderly people above 60 years of age. At present, only citizens above 77 years of age are targeted.
- Under the Social Pension for Indigent People, the benefit amount of P500 per month is too low for sustenance and buying medicines.

Implementation issues

- The National Household Targeting System for Poverty Reduction (NHTS-PR) was developed by DSWD for identifying poor households. However, it does not cover some poor and vulnerable groups, including indigenous people, street families and rebel returnees.
- Supply-side problems exist, for example, health facilities and schools are not available everywhere, leading to households not being able to comply with the 4Ps conditionalities.
- There is lack of manpower and capacity in LGUs, and the staff may change every three years. Training of staff is sometimes seen as an expense rather than an investment in human capital.

Recommendations

- One of the proposed recommendations was to reduce fragmentation of programmes by increasing coordination among agencies, during planning and implementation. Greater streamlining of procedures is required. To achieve this, a single supervisory agency or superintendent should oversee all social protection programmes in the country.

- A database that covers the entire informal sector has to be developed. This can also help in increasing coverage of the informal sector under SSS.
- It was recommended to consider partly subsidizing the SSS and PhilHealth premiums for the informal sector by the national government.
- There is a need to improve the health care system and increase its coverage by expanding and upgrading public health facilities, especially in remote areas.
- Awareness generation campaigns especially in rural and remote areas need to be intensified.
- Development of a common and efficient monitoring, evaluation and reporting system was proposed. People at the local level then need to be trained in using it.

Meeting with Social Security System

20 August 2014

Participants

- SSS (Judy Frances See, Nora Mercado, Alan Ortiz)
- ILO (Ma. Concepcion Sardaña, Ma. Lourdes Macapanpan, Loveleen De, Katharina Bollig)

Main points of interest

- Coverage under SSS is mandatory for informal sector workers or self-employed workers. However, SSS faces problems in reaching out to them.
- The registered SSS member accounts includes duplications, which arise because an SSS member can have multiple accounts, wherein new accounts are opened without shutting the old ones.
- The introduction of an unemployment insurance scheme in the Philippines can be supported by additional tripartite contributions and requires further consultation among stakeholders. The current SSS fund is earmarked for existing benefits.

Policy gaps

- Unemployment insurance benefits and child allowance are not mandated by the SSS Law.
- Some SSS benefit amounts are insufficient (e.g. pension) as the contribution rate and the salary ceiling are low. A proposed Provident Fund aims to address this by targeting people who can and want to save more.
- The self-employed are not covered by the Employees' Compensation Program (ECP), as it is difficult to verify whether or not their injury is work-related.

Implementation issues

- Coverage of the informal sector under SSS is low, as they are widely dispersed and there are difficulties in identifying them, collecting contributions and monitoring payments.
- The Unified Multi-Purpose ID (UMID) is currently used by SSS, GSIS, PhilHealth and Pag-IBIG, but it is not mandatory. An integrated infrastructure for UMID is not yet in place.

Recommendations

- The introduction of an unemployment insurance scheme in the Philippines can be supported by additional tripartite contributions.
- The current focus is on extending coverage to all self-employed workers, and SSS is exploring ways to achieve this.
- Partly subsidizing the SSS premium for the poor can be considered as a recommendation.

Meeting with National Anti-Poverty Commission

20 August 2014

Participants

- NAPC (Susanita Tesiorna, Ella Eleazar, Gloria Madayog)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

Policy gaps

- Affordability of premium payments is a major concern, as informal sector workers may not be able to afford regular SSS and PhilHealth premiums.
- No unemployment insurance benefits are provided to members of SSS.

Implementation issues

- There are difficulties in identifying informal sector workers and verifying whether they can afford the premiums.

Recommendations

- To address the issue of affordability, government subsidies could be a solution. Nevertheless, subsidies are not considered sustainable and most schemes should remain contributory in nature, as subsidies could destroy the system.
- The development of a unified database, in order to track informal sector workers and their incomes, was proposed.
- Training and capacity building for workers in microenterprises are required.
- It is necessary to ensure that monitoring and evaluation mechanisms are in place for all social protection programmes.

Meeting with Government Service Insurance System

22 August 2014

Participants

- GSIS (Edna Gubar, Leonora Co, Marco Antonio)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

- The main objective of GSIS is to provide social insurance benefits to government employees. It has also initiated the coverage of beneficiaries under the DILEEP and SPES schemes run by DOLE. GSIS provides accident insurance to the beneficiaries enrolled under these schemes for a premium of P51 per month.

Policy gaps

- Child allowance, sickness and maternity benefits are not mandated by the GSIS Law.

Implementation issues

- Some delays have been experienced in transmitting funds from rural areas to larger and more centralized branches, leading to inefficiency in implementation.

Meeting with Philippine Health Insurance Corporation

22 August 2014

Participants

- PhilHealth (Dr. Nerissa Sugay, Lourdes Irene N. Minoza, Joven Rito)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

The discussion centred on PhilHealth coverage, financing and targeting mechanisms. The identified policy gaps, implementation issues and recommendations are also outlined below.

- According to PhilHealth, there are 31.44 million registered principal members and 79.81 million beneficiaries in 2014.
- While public and private sector workers pay salary-based contributions that they can afford, poor and indigent members have their contributions subsidized by the national and local governments. PhilHealth covers the population of the country through different target groups, who have different financing mechanisms.
 - Public and private sector employees;
 - Overseas Filipino Workers (OFWs);
 - Informal sector members;
 - Poor households registered under NHTS-PR (Indigent Program);
 - Poor individuals not covered by NHTS (Sponsored Program);
 - Retirees and pensioners of SSS and GSIS prior to RA 7875, and elderly PhilHealth members who have paid more than 120 monthly contributions.

Policy gaps

- Medical fees are not regulated and this may lead to confusion for the beneficiary, as to what benefits and medical treatments are covered by PhilHealth.

Implementation issues

- The targeting mechanism, NHTS-PR does not cover all poor and vulnerable households, leading to exclusion errors.
- No standard targeting mechanism is used by LGUs to identify poor households for the Sponsored Program. High leakages, clout and inclusion errors exist.
- Difficulties are faced in targeting informal sector members as no official database exists and they are not included in the NHTS-PR.
- Despite the mandatory nature of PhilHealth, some employers do not register themselves or their employees.

- PhilHealth members in remote areas have experienced problems wherein they were asked to buy medicines outside the hospitals, although it is supposed to be covered by PhilHealth.

Recommendations

- To address the issue of non-affordability of informal sector contributions, some informal sector organizations are advocating for partial subsidy of informal sector premiums by the national government.
- There is a need to improve the health care system and reach universal coverage, by expanding and upgrading public health facilities, and increasing the stock of medicines.
- Awareness generation is vital, and one way to ensure this is to display the list of treatments and PhilHealth coverage outside health care facilities for all members to see.

Meeting with Employees' Compensation Commission (ECC), Department of Labor and Employment

26 August 2014

Participants

- ECC (Aurora Quilandrino, name to follow)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

Policy gaps

- Self-employed workers are currently not covered under ECC. It is difficult to verify whether or not their injury was work-related, and also to determine when their period of work starts and ends.
- According to ECC, disparities in benefits, delays in processing claims, contrasting performance in managing the Fund and high administrative costs arise as the implementation involves three different agencies – ECC, SSS and GSIS.

Implementation issues

- There is a lack of awareness among employers and workers, and often, little information is provided by employers to employees.

Recommendations

- A recommendation from the ECC was to have the programme implemented by only one agency.

Meeting with UNICEF

27 August 2014

Participants

- UNICEF (Augusto Rodriguez)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

- UNICEF has been implementing an unconditional cash transfer in disaster-affected areas, which is a one-time cash payment of US\$100 to a household for 6 months. The targeting system of this unconditional cash transfer is the same as that used for 4Ps. Thus, families in disaster-affected areas that are targeted under the 4Ps receive an additional US\$100 as immediate relief.
- The modified conditional cash transfer (CCT) targets indigent and homeless families by helping them to move into a permanent shelter and integrate into the regular 4Ps.
- The sustainability of the Supplementary Feeding Program is of concern. Past years have shown that children go back to their previous body weight once the feeding period is over. In order to be sustainable in the long run, the programme should be adopted into the curriculum and a nutritious meal should be provided to all children throughout their school years.
- While budgetary allocations are provided to local school boards, there are concerns with the implementation, due to lack of capacity and political will to invest the money.

Meeting with Department of Social Welfare and Development

27 August 2014

Participants

- DSWD (Edwin Pajares, Irish M. Opena, Amelita D. Micu, Sharon R. Tayog, Maria Teresa Dinglasan, Ma. Consuelo Acosta, Analiza B. Salud)
- ILO (Loveleen De, Katharina Bollig)

Main points of interest

DSWD implements nine schemes for poor and vulnerable people, of which, three schemes i.e. 4Ps, KALAHÍ-CIDSS-NCDDP and Sustainable Livelihood Program, form the backbone of its social protection and poverty alleviation strategy.

Social Welfare

- Major social welfare programmes implemented by DSWD include 4Ps, KALAHÍ-CIDSS-NCDDP, the Social Pension for Indigent People and the Supplementary Feeding Program.
- The KALAHÍ-CIDSS-NCDDP is based on the concept of community driven development and includes lessons learned from its predecessor, the KALAHÍ-CIDSS. It has recently been scaled up to the national level.

Policy gaps

- The current procurement law is a hindrance to the Supplementary Feeding Program due to long and complex procedures and documentation requirements.
- Under the 4Ps, there is no provision for fortified or nutritious food for children aged 0-2 years.

Implementation issues

- Supply-side problems exist, such as health facilities and schools not being available everywhere, leading to households not being able to comply with the 4Ps conditionalities.
- There are challenges in reaching out to all eligible beneficiaries under the Social Pension for Indigent People scheme.
- The NHTS-PR was developed by DSWD and is used to identify poor and indigent people for social protection programmes. However, it excludes certain vulnerable categories such as homeless people, indigenous people and rebel returnees. It needs to be updated soon.

Social Safety Nets

The primary social safety net programmes implemented by DSWD are the Cash-for-Work (CfW) and Core, Modified and Emergency Shelter Assistance.

Policy gaps

- CfW provides 75% of the regional minimum wage to workers for a full day of work. Furthermore, no social protection is provided to workers.

Implementation issues

- Under the Core Shelter Assistance Program, LGUs are sometimes unable to pay their counterpart contributions for funding a housing unit.

Labour market interventions

- The Sustainable Livelihood Program (SLP) allows beneficiaries to participate in capacity building workshops, and opt for local employment or entrepreneurship. The latter is provided through the Self Employment Assistance - Kaunlaran (SEA-K) intervention, which facilitates access to training and microcredit.

General remarks

A major challenge facing the social protection system in the country is the lack of political will by LGUs and local executive chiefs to efficiently implement programmes.