



# Technical Assistance Report

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Project Number: 43263-01  
Policy and Advisory Technical Assistance (PATA)  
December 2010

## Republic of the Philippines: Support for Social Protection Reform

(Financed by the Japan Fund for Poverty Reduction)



## CURRENCY EQUIVALENTS

(as of 30 November 2010)

Currency Unit – peso/s (P)

P1.00 = \$0.0226

\$1.00 = P44.295

## ABBREVIATIONS

4Ps	–	Pantawid Pamilyang Pilipino Program
ADB	–	Asian Development Bank
DSWD	–	Department of Social Welfare and Development
MDG	–	Millennium Development Goal
MIS	–	management information system
NHTS-PR	–	National Household Targeting System for Poverty Reduction
TA	–	technical assistance

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Type</b>	–	Policy and advisory technical assistance (PATA)
<b>Targeting classification</b>	–	Targeted intervention—promoting the non-income Millennium Development Goals (TI-M)
<b>Sector (subsectors)</b>	–	Multisector (social protection, preprimary and basic education, health programs)
<b>Themes (subthemes)</b>	–	<b>Social development</b> (human development); governance (public administration [national, decentralized, and regional]); capacity development (institutional development)
<b>Location impact</b>	–	National (high), rural (medium), urban (medium)
<b>Partnership</b>	–	Japan Fund for Poverty Reduction

## NOTE

In this report, “\$” refers to US dollars.

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## I. INTRODUCTION

1. The Government of the Philippines recognizes the pivotal role played by social protection as a foundation for inclusive growth and poverty reduction. This has been reflected in increasing budget allocation for social protection since 2007—though starting from low initial funding levels—as well as renewed efforts to reform social protection systems. To promote its ongoing Medium-Term Philippines Development Plan, 2004–2010 and advance pro-poor sustainable growth and progress toward the Millennium Development Goals (MDGs), the government requested the Asian Development Bank (ADB) to support its expansion of an emerging reform agenda for social protection. In response, the Philippines country operations business plan, 2010–2012 includes support<sup>1</sup> focusing on two core programs implemented by the Department of Social Welfare and Development (DSWD): (i) the Pantawid Pamilyang Pilipino Program (4Ps; the Building Bridges for the Filipino Family Program), which was first pilot tested in 2007 and provides conditional cash transfers linked to household investments in education and health; and (ii) the National Household Targeting System for Poverty Reduction (NHTS-PR). It also includes complementary policy and advisory technical assistance (TA) to promote broader reforms and accelerate progress toward the MDGs, reducing both income- and non-income forms of poverty.<sup>2</sup> In parallel with design dialogue on support for the 4Ps and NHTS-PR, an April 2010 fact-finding mission reached agreement with the government on the impact, outcome, scope, and implementation arrangements for the proposed TA.<sup>3</sup>

2. The TA builds on ADB's role as a sustained partner in promoting economic and social development in the Philippines, including recent support to the government's social protection reform agenda. In addition to engagement in policy dialogue through regional TA and major policy forums, ADB has supported the pilot testing and initial rollout of the 4Ps under two recent development policy support programs—in cooperation with the Government of Japan and in coordination with the World Bank and other development partners—and fiscal support under the Countercyclical Support Facility.<sup>4</sup> Building on this cooperation, the TA will provide flexible and timely support to the government in pursuing broader reforms to rationalize the social protection sector, enhancing the efficiency and sustainability of the social protection system in serving the needs of poor and vulnerable groups. The design and monitoring framework is in Appendix 1.

## II. ISSUES

3. Despite high economic growth, poverty incidence in the Philippines has increased in recent years, rising from 30% in 2003 to 33% in 2006 (the latest year for which official figures are available), while larger shares of Filipinos are highly vulnerable to external shocks such as those related to illness, loss of employment, natural disasters, or price increases.<sup>5</sup> Intertwined

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<sup>1</sup> ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan, Technical Assistance Grant, and Administration of Technical Assistance Grant to the Republic of the Philippines for the Social Protection Support Project*. Manila (Loan 2662-PHI, TA 7586-PHI, and TA 7587-PHI).

<sup>2</sup> The TA was included in the program under the initial title of MDG Acceleration and Poverty Reduction, and first appeared in the business opportunities section of ADB's website on 11 August 2010.

<sup>3</sup> The TA's focus was reconfirmed at a November 2010 meeting chaired by the DSWD on aligning TA and related assistance across multiple development partners.

<sup>4</sup> ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of the Philippines for the Development Policy Support Program: Subprogram 2*. Manila. (Loan 2450-PHI); ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of the Philippines for the Development Policy Support Program: Subprogram 3*. Manila. (Loan 2545-PHI); ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of the Philippines for Countercyclical Support*. Manila. (Loan 2538-PHI).

<sup>5</sup> Food price hikes in 2007–2008 were estimated to have increased the severity of poverty by more than 50%. See H. Son. 2008. Has Inflation Hurt the Poor? Regional Analysis in the Philippines. *ERD Working Paper*. No. 112. Manila: ADB.

with inequality and poverty of income, progress is also lagging toward MDG targets for universal primary education, maternal mortality, and access to reproductive health. Government efforts to address multidimensional poverty and vulnerability have been undercut by low spending—in particular for social protection programs, which accounted for only 1.6% of gross domestic product in 2005, though it rose to 2.3% in 2009, partly in response to global shocks.<sup>6</sup> The social protection sector has been characterized by a lack of policy and institutional coherency and coordination (with scarce resources divided across various fractured and often ineffective programs). Existing programs are often characterized by weak beneficiary targeting systems: e.g., leakage rates (shares of beneficiaries who are non-poor) have been estimated at about 71% for National Food Authority rice subsidies, 29% for food-for-school programs, and 24% for the sponsored program under the National Health Insurance Program (PhilHealth).<sup>7</sup>

4. To address these challenges, the government has initiated an accelerated social protection policy reform agenda. Spearheaded by the DSWD, this centers on (i) expanding the 4Ps and improving delivery mechanisms, including governance systems and monitoring and evaluation; (ii) extending the NHTS-PR as a tool to improve the targeting of other poverty-related programs; and (iii) securing adequate and predictable financing for social protection by consolidating programs and gradually expanding overall budget allocations. Building on and complementing recent and ongoing support by ADB and other agencies, the proposed TA directly supports this reform agenda by helping the government to (i) formulate and implement an action plan for rationalization and convergence of social protection programs;<sup>8</sup> (ii) bolster national and local institutional capacity to support the social protection reform agenda; and (iii) establish a graduation policy for poor 4P beneficiary households and a referral system to link them to other programs. By addressing leakage, inefficiency, and misalignment under currently fractured social protection programs, rationalization and convergence will be critical to ensuring an effective and sustainable social protection system that provides a safety net against short-term vulnerabilities, while supporting human capital accumulation and breaking longer-term vicious cycles of poverty. This will be important for the government's efforts to enhance governance and deliver on its commitments to poverty reduction, and ensure that all segments of society benefit from growth.<sup>9</sup>

5. The TA will provide a flexible package of support to the DSWD and other government agencies to support policy dialogue across multiple stakeholders, develop and build cross-agency consensus behind an action plan of priority reform interventions, and build capacities at different tiers of government to directly support operationalization of those interventions. It will embed lessons from regional and global good practice, and be implemented in close coordination with other development partners (para. 9). Flexibility in design is justified to allow responsiveness and to tailor-fit policy support in a sensitive and rapidly evolving policy environment, build in strong government ownership, and ensure symbiosis with emerging support from other development partners. The DSWD will ensure close coordination and alignment between the TA and existing and emerging support from the Australian Agency for International Development, the Japan International Cooperation Agency, the World Bank, United Nations agencies, and other development partners through a new DSWD-chaired coordinating body on international TA that will convene in early 2011.

<sup>6</sup> Social protection expenditure figures here are defined to include social assistance and social insurance. ADB. 2001. *Social Protection Strategy*. Manila.

<sup>7</sup> R. Manasan. 2009. *Reforming Social Protection Policy: Responding to the Global Financial Crisis and Beyond*. *Philippine Institute for Development Studies Discussion Paper Series*. No. 2009–22. Manila.

<sup>8</sup> Convergence includes enhancing alignment and linkages between programs under the DSWD (Appendix 3) as well as a broader array of poverty-related programs under other agencies.

<sup>9</sup> Social protection is identified as one of three pillars for inclusive growth in I. Ali. 2007. *Pro-Poor to Inclusive Growth: Asian Prescriptions*. *ERD Policy Brief Series*. No.#48. Manila: ADB.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

6. The long-term impact supported by the TA will be improved coverage of social protection and social services for the poor. The TA's outcome will be enhanced efficiency and sustainability of the social protection system.

#### B. Methodology and Key Activities

7. The TA will have three core outputs: (i) national policy reforms for social protection developed, (ii) capacity of national and local institutions to support the social protection reform agenda developed, and (iii) referral system and graduation policy for 4Ps beneficiaries established.

8. **Output 1: National policy reforms for social protection developed.** As its central output, the TA will assist the continued development of national policy reforms for social protection, culminating in the formulation and launch of a concrete action plan for reforms for rationalization and convergence of social protection programs, consolidating effective programs while phasing out those that are ineffective. Expert advice—via consultants as well as flexibly deployed resource persons with expertise in specific fields (para. 14)—will help the government to identify key medium- and longer-term policy reforms. Together, these will support increased and more efficient budget allocation for social protection, enhanced program targeting and delivery, and enhanced efficiency and sustainability of the social protection system overall.

9. Following a rapid institutional analysis of the social protection sector, the TA will support an in-depth critical review of the social protection sector and its existing policy framework, programs, and agency roles, including directions set in the forthcoming Medium-Term Philippines Development Program. Deliverables will include (i) a comprehensive report reviewing the social protection sector and policy framework for social protection, providing recommendations for consolidation and rationalization;<sup>10</sup> (ii) supplementary policy briefs focused on specific proposals for short- and longer-term reforms; (iii) an action plan for rationalization and coordination of social protection programs, including concrete steps and milestones and embedding mechanisms for improved targeting and gender mainstreaming; (iv) DSWD endorsement of core recommendations, as well as adoption and launch of the action plan; and (v) establishment of a social protection reform panel to support cross-agency dialogue on social protection-related issues. The action plan and broader recommendations for reform will be formulated via extensive cross-agency dialogue and consensus building, including a series of workshops and policy forums. The TA will also involve close coordination with support from other development partners, which may include joint policy forums. A knowledge dissemination and communication plan will be drafted early in the TA, to support effective dialogue and dissemination of TA deliverables.

10. **Output 2: Capacity of national and local institutions to support the social protection reform agenda developed.** The TA will selectively support multimodal capacity development to enable implementation of the reform action plan formulated under output 1. Interventions will be tailored to address critical institutional and capacity gaps identified through the institutional assessment, ranging from formal training courses to mentoring and development and provision of print and information and communication technology materials.

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<sup>10</sup> This will include synthesizing evidence from rigorous impact evaluation of the 4Ps that will be supported by ADB, the Australian Agency for International Development, and the World Bank; available assessments of the NHTS-PR; and broader analysis of the efficacy of major social protection-related programs. The TA will also support focused auxiliary data collection and analysis as needed.

Emphasis will be given to enhancing mechanisms and building applied capacities within the DSWD system (with secondary support for other line agencies as needed) to support effective implementation of the noted action plan for rationalization and coordination of social protection programs. Interventions will also be coordinated, with capacity development focused principally on the 4Ps and NHTS-PR under ongoing support from ADB and other development partners. Specific deliverables will include (i) formulation and DSWD adoption and implementation of a capacity development plan, which will ensure gender-inclusiveness; and (ii) applied capacities built at central and subnational levels to support implementation of the social protection action plan as well as key broader reforms.

#### **11. Output 3: Referral system and graduation policy for 4Ps beneficiaries established.**

Complementing support for macro-level policy reforms, the final output will operationalize the rationalization agenda at the beneficiary level. In particular, it will assist develop mechanisms to (i) track 4Ps beneficiaries and facilitate their referral to other existing resources to help them escape poverty (e.g., rural development programs, training, employment generation, etc.); (ii) strengthen coordination among currently stand-alone programs in these areas; and (iii) facilitate the graduation of 4Ps beneficiary households that have exited poverty. These mechanisms will provide a key operational-level link between the 4Ps and a streamlined package of broader poverty-related programs promoted under output 1. Specific deliverables will include (i) formulation and pilot testing of a referral system, and development of a plan for the referral system's broader rollout within the 4Ps program; and (ii) development and DSWD adoption of a graduation policy for 4Ps beneficiary households.

### **C. Cost and Financing**

12. The total cost of the TA is estimated at \$1.7 million equivalent. It is proposed that \$1.4 million will be financed on a grant basis by the Japan Fund for Poverty Reduction.<sup>11</sup> The Government of the Philippines will finance the remaining \$300,000 equivalent (in kind) as counterpart support, including office accommodation for consultants; and transportation, remuneration, and per diem for counterpart staff. The cost estimates and financing plan are in Appendix 2.

### **D. Implementation Arrangements**

13. The TA will be implemented from January 2011 to January 2013. The DSWD will act as the executing agency, and will facilitate continuity with the ongoing ADB loan and TAs noted in para. 1. Within the government, the DSWD has the central mandate for social protection and other social welfare and development programs. It directly oversees implementation of the NHTS-PR and 4Ps. It is spearheading the government's new social protection reform agenda, and is chair of the Social Protection Subcommittee of the National Economic Development Authority Social Development Committee.<sup>12</sup> To enhance ownership and promote effective cross-agency dialogue. The TA will engage other government agencies involved in social protection reform via this Subcommittee. The TA will not establish a separate steering committee. It will also provide support to set up a high-level social protection reform panel of eminent persons from both the public and the private sectors to help guide reform efforts. Finally, to support linkages to and harmonization with other international assistance, TA-supported interventions will be developed and implemented in close coordination with development partners, including through the DSWD-chaired coordination body for TA-related support (para. 5).

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<sup>11</sup> Administered by ADB.

<sup>12</sup> The subcommittee includes the DSWD, the National Economic Development Authority, and other key agencies such as the National Anti-Poverty Commission, the Department of Education, and the Department of Health.

14. The TA will flexibly deploy an array of expert inputs to provide timely and needs-tailored support for policy dialogue and rollout of the action plan for social protection convergence and rationalization. First, a core team of consultants (indicatively comprising 20 person-months of international and 12 person-months of national expert inputs) will be recruited using individual consultant selection in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time).<sup>13</sup> An international social protection specialist will act as team leader and overall TA coordinator, overseeing and coordinating inputs from the remaining core consultants—indicatively a social protection finance specialist and national social development and gender specialist.<sup>14</sup> The outline terms of reference for consultants are in Appendix 3. Second, complementing the core team of consultants, ADB will flexibly mobilize short-term resource persons to draft technical notes and policy briefs and present at policy forums, review and augment draft reports, and provide other focused inputs in specific policy and reform areas. Finally, capacity development activities will be contracted out to reputable training institutions and individuals, as needed.

15. The consultants will report to ADB, closely consulting the DSWD on policy-related issues including agreement on a detailed work plan and formulation of the pilot referral system. Drafts of major reports and technical and policy briefs will be jointly reviewed by ADB and the DSWD, and will incorporate close dialogue with other relevant agencies. To enhance their impact, reports, technical and policy briefs, and other deliverables will be discussed and disseminated by a variety of means, including in-country workshops, electronic reports, website publication, and other means, which will be laid out in a knowledge dissemination and communication plan.

16. Costs for central level and certain subnational seminars and workshops will generally be administered by the lead consultant (based on close dialogue with ADB and the DSWD), with other subnational or local activities administered by the DSWD, and certain training programs contracted to training institutions. The DSWD will organize and oversee implementation of the referral system pilot in selected localities, with focused technical inputs as needed from consultants and/or resource persons. The consultants will develop and conduct monitoring and evaluation of the pilot test (including baseline and endline surveys), providing an assessment of its overall efficacy and recommendations for refinements and planning for its expansion.

17. All procurement will be done in accordance with ADB's Procurement Guidelines (2010, as amended from time to time). Equipment procured under the TA (including principally computers, peripherals, and software to support training, materials development, and other activities) will become the property of the DSWD upon TA completion. All disbursements under the TA will be done in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). To facilitate effective implementation of certain activities, ADB may establish an advance payment facility for DSWD and/or other agencies or institutions, as needed.

#### IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$1,400,000 to the Government of the Philippines to be financed on a grant basis by the Japan Fund for Poverty Reduction for Support for Social Protection Reform, and hereby reports this action to the Board.

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<sup>13</sup> The need for possible additional consultancy inputs will be reviewed following completion of the institutional assessment and/or during the midterm review.

<sup>14</sup> Subject to ADB approval, the consultants will also mobilize, train, and oversee additional field-based research staff, data analysts, etc.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Improved coverage of social protection and social services for the poor</p>	<p>By 2018:</p> <p>MDG 1: Proportion of population below national poverty threshold less than 25% (2006 baseline: 33%)</p> <p>Share of households vulnerable to falling into poverty below 30% (2005 baseline: 45%)</p> <p>Share of poor households covered by 4Ps of conditional cash transfers reaches 50% (baseline = 20% at end of 2010), of whom at least half are effectively linked to community-driven development and/or employment programs</p>	<p>Data published by National Statistical Coordination Board</p> <p>DSWD evaluations and MIS data</p>	<p><b>Risks</b> Other determinants of income, consumption, and vulnerability are not present (e.g., political and economic stability)</p> <p>Country corruption risks</p>
<p><b>Outcome</b> Enhanced efficiency and sustainability of the social protection system</p>	<p>By TA completion:</p> <p>The NHTS-PR is applied to at least three major national social protection programs.</p> <p>Social protection spending reaches 2.8% of gross domestic product (baseline: 2.3% in 2009)</p>	<p>Data published by National Statistical Coordination Board</p> <p>DSWD MIS data and evaluation studies, with sex-disaggregated data</p> <p>Social protection index</p>	<p><b>Assumptions</b> Political and financial support for social protection reform is maintained.</p> <p>Accuracy and objectivity of NHTS-PR database reliably maintained</p>
<p><b>Outputs</b> 1. National policy reforms for social protection developed</p> <p>2. Capacity of national and local institutions to</p>	<p>DSWD endorses core recommendations on (i) consolidation and rationalization; (ii) increased and efficient budget allocation; and (iii) enhanced targeting and delivery, including via gender mainstreaming</p> <p>Social protection reform panel established</p> <p>Action plan and milestones adopted and commenced by DSWD and the social protection and welfare cluster</p> <p>Capacity development plan formulated (ensuring gender-</p>	<p>Workshop presentation to government and stakeholders; DSWD acceptance of report</p> <p>DSWD memorandum and policy pronouncements</p> <p>DSWD planning documents and work reports; MIS reporting</p> <p>Plan submitted to ADB; consultant monitoring</p>	<p><b>Risks</b> Inadequate human and financial resources to support effective implementation</p> <p>External shocks undermine commitment and ability to implement reform agenda.</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>support the social protection reform agenda developed</p> <p>3. Referral system and graduation policy for 4Ps beneficiaries established</p>	<p>inclusiveness) and adopted by DSWD</p> <p>At least 80 central and local officials acquire new capacities through TA-supported training.</p> <p>Graduation policy adopted by DSWD</p> <p>Referral system piloted and evaluated, and plan adopted for its introduction within the 4Ps</p>	<p>and reports</p> <p>Training records (gender-disaggregated); workshop minutes; work reports of mentored and/or supported staff</p> <p>DSWD memorandum/policy pronouncement</p> <p>Consultant reports and evaluations (including baseline and endline surveys); DSWD MIS</p>	
<p><b>Activities with Milestones</b></p> <p>1.1. Rapid context assessment, including in view of dialogue leading up to the new Medium-Term Philippines Development Plan (Q1 2011)</p> <p>1.2. Flesh out comprehensive framework and detailed work plan for the TA, and prepare a knowledge dissemination and communication plan, including reports, website posting, and other knowledge-sharing events under the TA (Q1–Q2 2011)</p> <p>1.3. Combine desk study with extensive stakeholder dialogue to comprehensively review the social protection sector and policy framework, including gender analysis (Q2–Q3 2011).</p> <p>1.4. Additional studies, working papers, and focused policy briefs (Q2 2011–Q1 2012)</p> <p>1.5. Stakeholder consultations and workshops to discuss findings, ensure alignment with the forthcoming Medium-Term Philippines Development Plan, and build consensus behind recommendations (ongoing)</p> <p>1.6. DSWD endorsement of review and recommendations (Q3 2011)</p> <p>1.7. Develop action plan for rationalization (Q3–Q4 2011)</p> <p>1.8. Stakeholder consultations and workshops on action plan (Q4 2011)</p> <p>1.9. DSWD adoption (Q1 2012) and launch (Q2 2012) of the action plan</p> <p>2.1. Develop capacity development plan (Q4 2011)</p> <p>2.2. Flexible, needs-tailored capacity building program, including training and workshops, print and information and communication technology-based materials, mentoring, etc. (Q1–Q3 2012)</p> <p>3.1. Develop referral system (Q1–Q2 2011)</p> <p>3.2. Pilot test referral system in selected 4Ps areas (Q3 2011–Q3 2012)</p> <p>3.3. Baseline and endline surveys for pilot test conducted in Q2 2011 and Q3 2012; evaluation report delivered in Q4 2012</p> <p>3.4. Graduation policy developed and adopted by DSWD (Q1–Q4 2012)</p>			<p><b>Inputs</b></p> <p>Japan Fund for Poverty Reduction (administered by ADB): \$1,400,000 equivalent</p> <p>Government: \$300,000 equivalent (principally in kind)</p>

4Ps = Pantawid Familyang Pilipino Program (Building Bridges for the Filipino Family Program), ADB = Asian Development Bank, DSWD = Department of Social Welfare and Development, MDG = Millennium Development Goal, MIS = management information system, NHTS-PR = national household targeting system, TA = technical assistance.

<sup>a</sup> Baseline and targeted values of national poverty incidence and vulnerability may be reviewed at the midterm review in view of updated official estimates following the release of the 2009 Family Income and Expenditure Survey.

<sup>b</sup> In addition to support from World Bank and other partners, ADB is supporting the NHTS-PR under the Social Protection Support Project, including assessment of NHTS-PR's efficacy in targeting the poor under the 4Ps. ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan, Technical Assistance Grant, and Administration of Technical Assistance Grant to the Republic of the Philippines for the Social Protection Support Project*. Manila.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Total Cost</b>
<b>A. Japan Fund for Poverty Reduction<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	434.00
ii. National consultants	75.00
b. International and local travel	90.00
c. Reports and communications	50.00
2. Equipment <sup>b</sup>	18.00
3. Training, seminars, and conferences <sup>c</sup>	
a. Facilitators	150.00
b. Training program	200.00
4. Surveys <sup>d</sup>	110.00
5. Miscellaneous administration and support costs	130.00
6. Contingencies	143.00
<b>Subtotal (A)</b>	<b>1,400.00</b>
<b>B. Government of Philippines<sup>b</sup></b>	
1. Office accommodation and transport	150.00
2. Remuneration and per diem of counterpart staff	120.00
3. Others	30.00
<b>Subtotal (B)</b>	<b>300.00</b>
<b>Total</b>	<b>1,700.00</b>

<sup>a</sup> Administered by the Asian Development Bank (ADB).

<sup>b</sup> Tentatively includes 3 laptop and 3 desktop computers, 1 laser printer, and other peripherals and software for use by the Department of Social Welfare and Development and the consultants to support training, materials development, and other activities.

<sup>c</sup> Indicatively includes 2 large-scale policy forums, about 10 smaller workshops (including focused seminars to support policy dialogue on reform topics), and multimodal capacity building programs.

<sup>d</sup> Includes consultants' mobilization of data collectors, enumerators, and other research assistants to support data collection, including baseline and endline surveys for the pilot test.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The proposed Asian Development Bank (ADB) technical assistance (TA) will directly support the Department of Social Welfare and Development (DSWD; the executing agency) and the Government of the Philippines in advancing its reform agenda for social protection. It will (i) support formulation and implementation of an action plan for rationalization and convergence of social protection programs, (ii) bolster national and local institutional capacity to support the social protection reform agenda, and (iii) establish a graduation policy for poor beneficiary households under the Pantawid Pamilyang Pilipino Program (4Ps; the Building Bridges for the Filipino Family Program) of conditional cash transfers and a referral system to link them to other programs.

2. Among these, the TA will provide particular emphasis to supporting reforms aimed at rationalization and convergence. Convergence will include enhancing alignment and linkages between programs under the DSWD, including particularly (i) the 4Ps; (ii) the DSWD's community-driven development program (Kalahi-Comprehensive and Integrated Delivery of Social Services), which tackles poverty by providing small grants for community-level infrastructure and social services that are selected and overseen by communities; and (iii) the Self-Employment Assistance-Kaunlaran program, which assists the poor to escape from poverty through small-scale entrepreneurial activities. It also includes extension of the national household targeting system for poverty reduction to provide a nationwide database for poverty targeting by various national and local social protection and poverty reduction programs.<sup>1</sup> Finally, in combination with rationalization and downsizing or phase-out of ineffective programs, convergence aims at enhancing alignment across a potentially smaller number of social protection-related programs under various agencies. Rationalization and convergence reforms will be critically important to enhancing the efficacy and sustainability of the Philippines social protection sector (by allowing resources to be concentrated in a smaller number of more efficient and more effectively aligned programs), but will be complex and particularly challenging. The TA will thus need to mobilize considerable expert advice and other support for policy dialogue and consensus building.

3. The TA will engage international and national experts to introduce international best practice, promote policy dialogue across government and nongovernment stakeholders, and support the implementation of various activities. Subject to potential adjustment following completion of the institutional assessment and/or during the TA's midterm review, the core consultant team will consist of three experts, providing the inputs outlined below. Consultants will be recruited as individuals by ADB in dialogue with the DSWD, and will report jointly to ADB and the DSWD. Formal consultant inputs will be augmented by short-term resource persons and other task-specific experts, who will provide focused expertise in specific areas of social protection through drafting or reviewing and augmenting policy notes, presentations to policy forums and other workshops, and other means. Following assessment of priority capacity gaps that obstruct implementation of targeted social protection reforms, the consultants will also help identify and coordinate with training institutions and/or individuals as needed to carry out certain activities under a capacity development plan.

4. In addition to development of materials to support capacity development, the consultants' principal written outputs will include (i) a rapid institutional assessment; (ii) a comprehensive report reviewing the social protection sector and policy framework for social protection and providing recommendations for rationalization and convergence; (iii) supplementary technical and policy

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<sup>1</sup> While not yet fully operationalized, a March 2010 executive order requires all government agencies to use the national household targeting system for poverty reduction for household targeting of poor households in their programs.

briefs<sup>2</sup> elaborating on specific reform recommendations in the short and longer terms; and (iv) an action plan for rationalization and coordination of social protection programs, including concrete steps and milestones and embedding mechanisms for improved targeting and gender mainstreaming. Reports will emphasize technical content and feed-in to reform-related activities (rather than administrative reporting), and will be reviewed by ADB, the DSWD, and other relevant agencies. Specific needs for technical and policy briefs will be determined during implementation. Knowledge, lessons learned, and TA outputs will be disseminated through workshops and publications.

**A. Social Protection Specialist/Team Leader** (international, 20 person-months)

5. As team leader, the expert will have overall responsibility for providing overall coordination for TA implementation, working closely with the DSWD. Specific tasks will include the following:

- (i) Coordinate the inputs and outputs of other consultants; assist ADB and the DSWD in identifying and coordinating inputs from resource persons needed for workshops, specific written inputs, and review of key draft reports.
- (ii) Identify and propose for ADB approval any research assistants as may be required to support survey work and other data collection, data analysis, and other tasks; mobilize, train, and oversee work by such research assistants.
- (iii) Based on the rapid context assessment, propose refinements to the overall framework for TA implementation and flesh out a more detailed work plan for TA activities, by quarter or as agreed with ADB; periodically review developments in the policy environment surrounding social protection reform and implications for TA implementation, identifying any proposed refinements in the work plan, or any potentially necessary changes in scope or approaches at the midterm review or as needed.
- (iv) Maintain close liaison with DSWD and other relevant government agencies, as well as with the other development partners including the Australian Agency for International Development, the Japan International Cooperation Agency, the World Bank, and United Nations agencies.
- (v) In view of findings from the initial institutional analysis and priority reforms identified for inclusion in the draft social protection reform action plan, work with the DSWD to formulate a detailed capacity development plan; assist ADB and the DSWD in identifying institutions and/or individuals to conduct priority capacity development activities, and provide related coordination.
- (vi) Propose and oversee implementation of a knowledge dissemination and communication plan for the TA.

6. Expertise-specific responsibilities will include the following:

- (i) Coordinating inputs from other experts, take lead responsibility for the comprehensive review of the social protection sector and the policy framework for social protection, including directions set in the next Medium-Term Philippines Development Plan. This will include assessment of gender aspects, as well as the extent to which current social protection approaches and programs address issues of eligibility and entitlement and set the institutional and legal context for the relationship between the state and citizens; working with the DSWD, organize cross-agency policy forums and conduct additional stakeholder consultations, as a basis for the review and recommendations.

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<sup>2</sup> Short-term resource persons will also draft such briefs and other focused inputs.

- (ii) Take lead responsibility for assistance to the DSWD in developing the action plan for rationalization and coordination of social protection programs, in close coordination with the DSWD, other national stakeholders, and development partners.
- (iii) Provide inputs as needed for implementation of the capacity development plan, including designing specific interventions (e.g., mentoring programs) and developing relevant materials.
- (iv) Based on relevant international experience and models, and an in-depth review of the Philippines context, provide detailed analysis and recommendations to the DSWD on development of a graduation policy for 4Ps beneficiaries. Include these in the noted core reports as well as focused technical notes and policy briefs on agreed topics.
- (v) Work closely with the DSWD (and in close coordination with relevant national and subnational agencies) to design a referral program, to be pilot tested in select localities under DSWD supervision; provide focused technical inputs as may be requested by the DSWD to support the pilot test.
- (vi) Develop and take lead responsibility for monitoring and evaluation of the pilot test (including baseline and endline surveys), mobilizing local data collectors and other research assistants as needed. Based on assessment of the pilot test, assist the DSWD to refine and finalize the referral system and graduation policy.
- (vii) Work with the other consultants to develop and organize implementation of other surveys and other data collection as needed to support policy dialogue and preparation of reports and briefs.

**B. Social Protection Finance Specialist** (national, 8 person-months)

7. The specialist will be responsible for analysis and other technical inputs related to social protection system financing and financial aspects of the proposed reforms. Specific tasks will include the following:

- (i) As part of the rapid institutional assessment and the subsequent comprehensive review, assist the DSWD and the team leader to review the social protection sector and policy framework, focusing on financial management and budget issues as well as the longer-term sustainability of government investments in social protection.
- (ii) Propose options and develop detailed recommendations for improving budget allocation and the efficiency of social protection spending.
- (iii) Identify priority gaps (ranging from institutional setup and budgeting and financing mechanisms to human resources at the operational level) and identify interventions for inclusion in pilot activities and the overall capacity development plan.
- (iv) In coordination with the team leader, contribute to the planning and implementation of surveys and other data collection work, provide inputs to consultant reports, and draft focused technical notes and policy briefs as needed; support implementation of pilot activities and the capacity development plan as needed in finance-related areas.

**C. Social Development and Gender Specialist** (national, 4 person-months)

8. The specialist will be responsible for analysis and other technical inputs related to social development, including socioeconomic equity and gender. Specific tasks will include the following:

- (i) Early in the TA, assist the DSWD and the team leader to review the social protection sector and policy framework from a social development perspective.

- (ii) Drawing on existing work and conducting small-scale field studies as needed, undertake an in-depth assessment of existing social protection programs' efficacy in targeting the poor and marginalized, and supporting their empowerment and sustainable escape from poverty; give particular emphasis to assessing gender dimensions.
- (iii) Identify key gaps and develop recommendations for better mainstreaming of gender and addressing broader social development issues via social protection sector reforms; propose specific interventions for inclusion in pilot activities and the overall capacity development plan.
- (iv) In coordination with the team leader, contribute to planning and implementation of surveys and other data collection work, provide inputs to consultant reports, and draft focused technical notes and policy briefs as needed; support implementation of pilot activities and the capacity development plan as needed in areas related to social development and gender.