

ABND in the Philippines:

Core Group workshops to finalize the assessment matrix

29 August & 29 October 2014

Assessment Based National Dialogue (ABND)

The ABND exercise looks at the prevalent social protection system in the Philippines and compares it to the Social Protection Floor (SPF) guarantees and the Social Security (Minimum Standards) Convention, 1952 (No. 102), in order to identify gaps, issues and recommendations.

ABND matrix

During June - August 2014, ILO conducted an initial analysis of the social protection system in the Philippines, through web-based and offline research, and bilateral meetings with government departments, social protection agencies and social partners in the Philippines. Based on this analysis, the first draft of the assessment matrix was made.

Core Group (CG)

The ABND core group then conducted two workshops on 29 August 2014 and 29 October 2014 to validate the draft matrix, especially the gaps and recommendations. The output of the two workshops was an assessment matrix that had been verified by the CG. Previously, the CG had met on 19 June 2014 to discuss and plan the ABND exercise.

Where does the Philippines stand?

In the Philippines, social protection legislation provides for several benefits. These existing benefits were compared with the nine contingencies defined under the Convention No. 102 (maternity, families with children, sickness, unemployment, work injury, medical care, invalidity, death of the breadwinner and old age). This revealed that the following benefits are currently not provided in the country.

Provisions of:		Target population in Philippines			
SPF	Convention No. 102	Public sector	Private sector	Informal sector	
				Poor	Non-poor
Health	Health care	Y	Y	Y	Y
Children	Child/family allowance	N	N	Y	N
	Sickness benefit	N	Y	Y	Y
	Maternity benefit	N	Y	Y	Y
	Disability benefit	Y	Y	Y	Y
	Survivor's grant	Y	Y	Y	Y
Working age	Unemployment insurance	Y	N	N	N
	Unemployment protection				
	Labour market interventions	Y	Y	Y	Y
	Work-related injury	Y	Y	N	N
Elderly	Old age pension	Y	Y	Y	Y

ABND in the Philippines:

Minutes of the 2nd Core Group workshop

29 August 2014

Participants

1. Bureau of Workers with Special Concerns (BWSC), Department of Labor and Employment (DOLE): Ahmma Charisma Satumba, Adeline de Castro, Cyrus C. Policarpio, Zydney C. Cresino
2. Department of Budget and Management (DBM): Lydia F. del Socorro, Felicitas F. Calubayan
3. Department of Social Welfare and Development (DSWD): Edwin Pajares
4. Employers Confederation of the Philippines (ECOP): Abigail Roxas
5. Federation of Free Workers (FFW): Antonio Asper
6. Government Service Insurance System (GSIS): Mario Ang
7. International Labour Organization (ILO): Ma. Concepcion Sardaña, Ma. Lourdes Macapanpan, Loveleen De, Katharina Bollig
8. National Anti-Poverty Commission (NAPC): Susanita Tesiorna, Ella Eleazar, Gloria Madayog, Lian Rivera, Grace Sawali
9. National Economic and Development Authority (NEDA): Girlie Casimiro
10. Philippine Health Insurance Corporation (PhilHealth): Remedios L. Gabuya
11. Philippine Statistics Authority (PSA): Luzviminda S. Mitra
12. Social Security System (SSS): Nora Mercado, Alan Ortiz, Tony Pangilinan
13. WHO (World Health Organization): Florence Tienzo

Agenda

Time	Sessions
1:00 - 1:30	Registration
1:30 - 2:00	Update on co-chairs of the ABND exercise
2:00 - 5:00	Finalizing the policy gaps, implementation issues and recommendations in the assessment matrix
Close of day	

Introduction

The CG workshop was introduced with a short overview of the ABND process and the SPF, given by Ahmma Charisma Satumba from the BWSC and Loveleen De from the ILO. SPFs are nationally-defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion. National social protection floors should comprise at least the following four social security guarantees, as defined at the national level:

1. access to essential health care, including maternity care;
2. basic income security for children, providing access to nutrition, education and care
3. basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability;
4. basic income security for older persons.

Social Insurance

The policy gaps and implementation issues that had been identified during the bilateral meetings were discussed. The main points of discussion are summarized below.

Policy Gaps

Child Benefit

- No unemployment insurance is provided by the SSS Law.
- At the moment neither GSIS nor SSS are mandated by law to provide a child allowance. If such an allowance were to be introduced, the funding mechanisms would need to be carefully evaluated so as not to create further pressure on the existing SSS and GSIS funds. Furthermore, it has to be ensured that the mechanism is sustainable.
- The concern was raised that the introduction of new benefits such as unemployment insurance, child / family allowance should be in line with current national priorities.

Informal Sector Members

- One of the major concerns mentioned was how to define the informal sector and determine their income.
- Both, affordability and accessibility, were defined as problems faced when reaching out to the informal sector.

Employees Compensation (EC) for the Informal Sector

- Currently, in the Philippines, self-employed workers are not covered by EC programmes.
- It was debated whether it is common practice to cover self-employed under employees' compensation programmes. International examples show that in some countries coverage for self-employed is voluntary, but not mandatory.

SSS Benefit Amount

- A policy gap is that the SSS benefit amounts (e.g. pension) are too low. Two of the reasons identified for this are the low contribution rate and low salary ceiling.
- During the core group discussion it was mentioned that no actuarial or detailed evaluation has been done on whether the problem lies with the low contribution rates. As the contribution rates are mandated by law, any change would involve a legislative revision.
- An increase in contribution rates might lead to further non-affordability of payments for informal sector workers.

No Sickness and Maternity Benefits under GSIS

- The benefits are not provided by GSIS, but generally are available to government employees. The respective government agencies are responsible to provide those benefits.

No Regulating Agency for Health Care Facilities

- During the discussion this policy gap was identified, as PhilHealth does not have the mandate to regulate prices charged by health facilities.

Implementation Issues

Low Coverage of Informal Sector

- There was general agreement upon this implementation issue. There is a need to confirm the exact numbers of informal sector coverage though.
- No comprehensive and unified database on the informal sector exists.

Verification of Income from Self-employed Workers

- SSS does not require any proof of income from its self-employed members. The declared income is used as a basis to calculate contribution payments. Though this may create pressure on the SSS fund, it is difficult for self-employed members to provide income proofs.

Non-compliance by some Micro, Small and Medium Enterprises (MSMEs)

- It was clarified that social evasion would mean that employers are purposely underreporting the number of employees they have and / or the salaries in order to avoid paying social insurance contributions.
- The term was changed from social evasion to non-compliance.

Unified Multi-Purpose ID (UMID) is not mandatory

- Currently there is an agreement among the 4 agencies (SSS, GSIS, PhilHealth, Pag-IBIG) to use UMID but there is no integrated infrastructure in place yet.

Problems with Health Facilities

- In the bilateral meetings it was verified that there are problems with some health facilities in the Philippines, such as poor service quality, low number of health facilities particularly in rural areas, and low availability of medicines leading to high out of pocket (OOP) expenses.
- Even with accredited partners, PhilHealth experienced non-compliance with the “No Balance Billing” policy, which aims at zero OOP expenses for members.

Fees charged by Health Facilities

- Often fees are available online only, which may be difficult for members to access.
- There seems to be a problem of information dissemination and making information more understandable.
- Generally, PhilHealth does not have the mandate to regulate prices charged by the health facilities. PhilHealth can only provide packages for several illnesses to its members, but cannot regulate the prices in the hospitals.

Inadequate Coverage of Migrant Workers

- To be confirmed with Overseas Workers Welfare Administration (OWWA).
- So far, the coverage under SSS is voluntary for migrant workers. Migrant workers who want to be part of SSS find it difficult to pay their contributions, as no online payment system exists yet.

Leakages in Benefit Distribution in Local Government Units (LGUs)

- The Sponsored Program by PhilHealth is considered to have high leakages and clout in the beneficiary selection process.

Additional Notes

- Generally it was agreed upon that there is a lack of comprehensive and unified data, especially with regard to identifying the informal sector.
- The meeting was adjourned for discussion of the remaining policy gaps, implementation issues and recommendations.

ABND in the Philippines:

Minutes of the 3rd Core Group Workshop

29 October 2014

Participants

1. Bureau of Workers with Special Concerns (BWSC), Department of Labor and Employment (DOLE): Ahmma Charisma L. Satumba
2. Department of Social Welfare and Development (DSWD): Edwin Pajares
3. Employees' Compensation Commission (ECC): Stella Z. Banauis, Aurora I. Quilandrino, Claudine B. Rodriguez
4. Employers Confederation of the Philippines (ECOP): Jose Roland A. Moya
5. Federation of Free Workers (FFW): Antonio Asper
6. Government Service Insurance System (GSIS): Mary Abigail Cruz-Francisco
7. International Labour Organization (ILO): Ma. Concepcion Sardaña, Ma. Lourdes Macapanpan, Loveleen De, Katharina Bollig
8. National Economic and Development Authority (NEDA): Girlie Casimiro, Marie Elaine A. Ceralde
9. Philippine Statistics Authority (PSA): Carmelita H. Destreza
10. Social Security System (SSS): Lilian T. Borgona, Alan Ortiz
11. United Nations Children's Fund (UNICEF): Augusto Rodriguez

Agenda

Time	Sessions
8:30 - 9:00	Registration
9:00 - 9:30	Feedback on recent ABND developments from DOLE and NEDA Discussion on the work plan and next steps for ABND
9:30 - 1:00	Finalizing the policy gaps, implementation issues and recommendations that will be presented to the Subcommittees on Social Protection and Informal Sector <ul style="list-style-type: none">- <i>Social insurance</i>- <i>Social welfare</i>
1:00 - 2:00	Lunch
2:00 - 5:00	<ul style="list-style-type: none">- <i>Social safety nets</i>- <i>Labour market interventions</i>
Close of day	

Introduction

The CG workshop was chaired by Ahmma Charisma Satumba (BWSC, DOLE), Stella Z. Banawis (ECC, DOLE) and Girlie Casimiro (NEDA). The workshop was introduced with a short overview of the ABND process, the SPF and the progress made so far. The policy gaps and implementation issues that had been identified during the bilateral meetings and the previous CG workshop were discussed. The main points of discussion are summarized below according to social protection components, topics, schemes and providers.

Social Insurance

PhilHealth

- It was proposed to include universal health coverage for children below 5 year of age through PhilHealth. This could be funded by the Sin Tax. This benefit is presently being provided by UNICEF.
- The other points regarding PhilHealth remain to be discussed in a subsequent meeting, as no PhilHealth representative was present at the workshop.

Government Service Insurance System (GSIS)

Contractual workers

- It was elucidated that contractual government employees without an employee – employer relationship are not covered by GSIS. Moreover, barangay officials are currently not covered by GSIS. However, there have been requests from barangay officials to extend GSIS coverage to them.
- Regarding this gap, it was recommended that options on covering contractual workers by either GSIS or SSS (as self-employed workers) should be explored. The representative from SSS mentioned that SSS is currently contacting government agencies to inform them about potential coverage of their contractual workers under SSS. In this case, the workers have to pay their entire contribution, and are entitled to all benefits currently available under SSS.

Scholarship programme

- The GSIS scholarship benefit was removed from the matrix, as it is mainly part of its corporate social responsibility (CSR) strategy and is limited to 200 students only.

Social Security System (SSS)

(Un)Employment insurance

- A potential unemployment insurance should rather be called employment insurance since it should provide encouragement for job search and training, and not only unemployment insurance benefits.
- Generally, SSS is ready to provide such an insurance as long as the funding is ensured through increased premiums. A study commissioned by SSS had revealed that contributions from employers and employees amounting to 2% each, could fund such an insurance scheme.

Low coverage, especially of the informal sector

- In order to facilitate the access to SSS in rural areas, SSS actively accredits partners on the ground that can assist people in the registration processes, provide information and raise awareness. Many other initiatives to increase coverage are being developed. Among others, the establishment of one-stop-shops in barangays to provide access to any social protection scheme is being considered.
- SSS is currently exploring ways to increase coverage, and the first step to doing this is by conducting a comprehensive study on the coverage of the informal sector.
- The sustainability is of concern as most SSS members are not actively paying members.

- In addition to the establishment of one-stop-shops in barangays, an identified recommendation was to subsidise SSS contributions for the informal sector by the national government.

Overseas Filipino Workers (OFWs) mandatory coverage

- A change in the SSS charter would be required to make coverage compulsory for OFWs. Proposals to change the charter have been submitted already.

Cross-cutting issues for all schemes

Delays in receiving benefits

- One implementation issue is the slow processing of benefit disbursements and contribution collections. SSS mentioned that benefit collection is being computerized at the moment to improve control and quicken the payment process.

Unified-Multipurpose ID (UMID)

- It was recommended to reactivate the implementation process of UMID.

Social insurance coverage extended to 15 years old and above

- There is no minimum age requirement to be a contributing member of SSS, so there seems to be no policy gap. There is a need to clarify whether this gaps is to be included in the matrix.

Update numbers

- There is a need to update numbers on beneficiaries and funding in the ABND matrix, for various social insurance schemes. The representing agencies would provide the latest figures.

Social Welfare

Pantawid Pamilyang Pilipino Program (4Ps)

Conditional cash transfer (CCT)

- Currently the 4Ps is not institutionalized in law, but there is a pending bill on its institutionalization.
- It was recommended to develop or expand a common and efficient monitoring, evaluation and reporting system, or database, and conduct training on its use (for all schemes and activities that converge with the 4Ps in terms of beneficiary identification) at the local level. It was questioned though where (with which agency) the database would be housed and who should conduct the training on its use.

- Many beneficiaries find it difficult to comply with the 4Ps conditionalities due to difficult access to schools and low number of schools in remote areas. It was proposed that community-based education systems or supervised neighbourhood education systems could be introduced, in collaboration with accredited local NGOs. Thereby, families would be able to comply with the 4Ps conditionalities.

Modified conditional cash transfer (MCCT)

- The beneficiaries are identified based on the National Household Targeting System for Poverty Reduction (NHTS-PR) and later validated by local government units (LGUs). The conditionalities of the regular CCT and MCCT are the same.
- The target beneficiaries are street families that move into regular housing after 6-12 months, and thereby graduate to the regular CCT programme.
- From January 2015, a second survey of NHTS-PR is to be conducted and the database updated. In this survey, families would be targeted instead of households, in order to better capture the living situation of families. This is because in rural areas, several families often live in a single household.

Social Pension for Indigent People

- According to the budgetary plan of DSWD, coverage for social pensions would be gradually increased each year to cover more age groups. Currently, only people who are 77 years old and above are covered. In the next budgeted year, the eligibility criteria would be extended to 67 years and above. Finally, all people above the age of 60 years would be covered by 2016.
- There are plans to increase the coverage in future, from the current coverage of senior citizens targeted through NHTS-PR to include LGU-listed beneficiaries.
- Currently, a major implementation issue is the low utilization of funds allocated to schemes. This is a concern for the social pension, since there are two conflicting issues: firstly, not all senior citizens are covered in reality and secondly, lack of funds is cited as a challenge in fully implementing the scheme. As a result, additional funds are not allocated for expanding the scheme, since the existing funds have not been utilised.

Cross-cutting issues for all schemes

- The NHTS-PR will cover indigenous people and families with child labour in the next survey round. Both groups are currently not included in the NHTS-PR.
- The overall procurement law is a challenge for various social welfare schemes, due to long and complex procedures and documentation requirements.

Social Safety Nets

DOLE Integrated Livelihood and Emergency Employment Program (DILEEP)

- DILEEP should be considered as both a social safety net scheme and a labour market intervention, as some measures address crisis situations, but are not only limited to them.
- Cash-for-Work (CfW) is considered as a social safety net programme only.

Unconditional Cash Transfer (UCT)

- The UCT, implemented by DSWD with the help of UNICEF, should be included in the social safety net component. UCT provides beneficiaries that are already enrolled under 4Ps with additional income in times of crisis, e.g. a natural disaster. It was implemented in the aftermath of Typhoon Haiyan. The benefit amounts to US\$100 provided per family for 6 months.

Other programmes

- It was suggested that the Department of Health (DOH) should be consulted about measures that they may be operating such as health and safety, rescue operations, provision of temporary shelters, etc. and that can be included in the matrix.
- Some other programmes should also be included in the matrix, such as National Disaster Risk Reduction and Management Council (NDRRMC) measures, Department of National Defense (DND) measures, relief operations by DSWD, and the Agricultural Insurance Program.
- The question of whether smaller schemes and projects operated by NGOs, community organisation, LGUs should be part of the assessment matrix was raised. It was clarified by ILO that only large schemes operated by the government are assessed in the matrix, as these have the possibility of being sustainable in the long run and fulfilling the requirements of the social protection floor.

Labour Market Interventions

Education for All

- This provision should be removed from the matrix as education is seen as a basic right in the Philippines and does not fall under social protection. It was clarified that the children guarantee of the SPF would be defined according to the Philippine context, to take into account that access to education is a basic right and not social protection.
- The Special Program for Employment of Students (SPES) operated by DOLE targets low-income students and hence can be considered as social protection.

Sustainable Livelihood Program (SLP)

- The scheme should be moved to social safety nets.

Technical Education and Skills Development Act (TESDA) programmes

- It was mentioned that better coordination among TESDA, Commission on Higher Education (CHED) and the industry group in the delivery of Technical and Vocational (TechVoc) programmes and in responding to industry demands should be added to the recommendations.
- Moreover, Technical and Vocational Education and Training (TVET) institutions should be strengthened, in terms of management and innovation. LGUs and industries should be encouraged to deliver TVET programmes in a coordinated and effective manner.
- It might be useful to develop guidelines on the approval of TESDA programmes to be based on local needs and skills needs mapping.
- In order to make trainings more effective and cost-efficient, they should be made enterprise-based with greater participation of companies. The share and use of training facilities of employers, equipment and software should be encouraged.

PHIL-JobNet

- Incentives can be provided to employers to report job-seekers who are recruited through the PHIL-JobNet system. This can be used to track the effectiveness of the system.

Cross-cutting for all schemes

- It was mentioned that some trainings are not benchmarked to international standards.
- A study should be conducted on a possible source of occupational safety and health (OSH) budget for informal sector workers.
- The Government Internship Program (GIP) and other apprenticeship programmes should be included in the matrix.

Next steps

- Some programmes, gaps and recommendations remain to be discussed later as the concerned agencies (including PhilHealth, OWWA, and others) were not present at the workshop. DOLE would finalize all the remaining points in the matrix by conducting meetings with these agencies.