

Department of Social Welfare and Development (DSWD) Padayon Sustainable Livelihoods Program Graduation Approach in the Philippines

Terms of Reference for Market Assessment Consultancy

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|--------------------------------|---|
| Client: | Government of the Philippines and Asian Development Bank |
| BRAC UPGI Team Lead: | Lauren Whitehead |
| Position: | Market Assessment Consultancy |
| Location: | Philippines (National), with fieldwork in Valencia and Malaybalay, Bukidnon; Lebak, Sultan Kudarat; and Iloilo City and Oton, Iloilo. Note: tentative municipalities to be finalized before contracting with the consultant team or firm. |
| Dates of Assignment: | January 2020 - April 2021 |
| Duration of Assignment: | Intermittent; 66 working days (3 months) |
| Estimated Budget Range: | 30,000- 35,000 USD for all 3 provinces |

1. Project Background

The Pantawid Pamilyang Pilipino Program (4Ps) led by the Government of the Philippines's Department of Social Welfare and Development (DSWD) has expanded significantly since its inception in 2008. The coverage of poor Filipinos has increased from 337,418 poor households in 2008 to 4.25 million households in 2019. It is truly a national program, covering 17 regions, 80 provinces, 145 cities, 1,482 municipalities, and 41,539 barangays. As of 29 February 2020, there were 4.28 million active CCT beneficiary households, which is 97% of the target total of 4.4 million households.¹ Like most other countries around the world, the Philippines has been hard hit by the COVID-19 pandemic, particularly its poor and vulnerable people. The Office of the President declared a state of calamity for the country until 17 September 2020, with 9,223 COVID-19 cases with 607 deaths being recorded as of 3 May 2020. The government's response to contain the spread of COVID-19 under the Bayanihan to Heal as One Act, or Republic Act No. 11469, includes an enhanced community quarantine throughout the entire island of Luzon from 18 March 2020 until 15 May 2020 and beyond as required. While the Philippines economy grew at a steady average annual rate of 6.5% from 2012–2019, the growth trajectory has been adversely affected by the COVID-19 pandemic. Projections made by NEDA show that gross domestic product (GDP) growth may potentially fall to negative levels in 2020.

As a result of the COVID-19 pandemic, there will be potential increase in poverty, hunger, and other vulnerabilities that will need to be addressed. According to the World Bank's poverty assessment for the Philippines, transfers from government social programs contributed about 25% of the reduction in poverty between 2006 and 2015.² The 4Ps program expanded rapidly during this period and became the primary government social assistance program for the poor.

¹ The reason for the shortfall is that families naturally exit from the program once all their children (subject to a cap of 3 children) graduate from senior high school or turn 19 years old before the start of the school year.

² World Bank. 2018. *Making Growth Work for the Poor*. June 2018. Washington DC. The other important drivers of poverty reduction over that period were increases in wage income due to a transition of workers out of agriculture (around 66%), and remittances from domestic (around 12%) and foreign sources (around 6%).

It extends cash grants to 77% of poor households and contributes to reducing poverty and building human capital. The Expanded Social Amelioration Program (ESAP), proposed by the Asian Development Bank, will support the Philippine Development Plan, 2017–2022 goal of helping individuals and families cope with risks through a universal and transformative social protection system that builds socioeconomic resilience.³ ESAP is closely aligned to ADB's Philippines country partnership strategy (CPS), 2018-2023 which aims at high and inclusive growth. One of its three strategic pillars is investing in people, and social protection is central to this pillar.

To address the challenges on how to support the poor in escaping poverty in a sustainable manner without the dependence on conditional cash transfers and other welfare programs, two outputs through the current project between DSWD and ADB will take place: (1) supporting through the Graduation Approach; and (2) strengthening the Family/Youth Development Sessions. The Graduation approach, also referred to as “cash plus” or “productive inclusion” programs, is a comprehensive, holistic, time-bound and carefully sequenced set of interventions that aims to “graduate” people from extreme poverty to more sustainable livelihoods.⁴ Addressing the challenge of ensuring a sustainable pathway out of poverty includes but goes beyond the current DSWD ‘convergence strategies’, which aim to harmonize programs including 4Ps, SLP and KC-NCDDP. The graduation approach can equip extremely poor and vulnerable populations with the tools, access to resources, livelihoods, and self-confidence to ‘graduate’ into sustainable livelihoods with long-term resilience against future shocks.

2. Description of the Project

In any crisis situation such as the COVID-19 pandemic, while the government has to focus initially on addressing the immediate needs of the poor, it should also draw lessons and initiate reforms so that its response to similar crises in the future is more effective and timely. Through the Sustainable Livelihoods Program (SLP), the DSWD can support the poor and the vulnerable 4Ps households by providing them with livelihood assistance grants after the quarantine is lifted. This will assist in the economic recovery and rehabilitation of the livelihoods of the affected families. Therefore, the Graduation approach through the newly developed Padayon SLP will benefit and strengthen the resilience of the poor and vulnerable households even more in the post COVID-19 phase. After the enhanced community quarantine is progressively lifted, livelihood assistance grants will be provided to qualified SLP beneficiaries whose employment and income have been adversely affected by the shut-down of most economic activities, travel restrictions, and social distancing requirements. These grants can be used by the Padayon SLP beneficiaries as seed capital to start new or strengthen existing viable micro-enterprises, purchase inputs or starter kits needed for the identified micro-enterprise, and/or for other employment-related activities such as but not limited to transportation / fare expenses.

By combining and harmonizing elements of existing DSWD programs, the proposed Padayon SLP, a Graduation program, will provide targeted beneficiaries with a comprehensive support that addresses the most pernicious vulnerabilities and barriers that they face and maximize the impact of the programs to help them uplift themselves out of poverty. DSWD and ADB have

³ National Economic and Development Authority of the Philippines. 2015. *Philippine Development Plan 2017-2022*. Chapter 11, Reducing Vulnerability of Individuals and Families. Pasig City.

⁴ In the Philippines, the Department of Social Welfare and Development prefers to refer to the graduation approach as the *convergence approach*. However, this TOR uses *graduation approach* to clarify that this is the internationally understood model.

engaged BRAC's Ultra-Poor Graduation Initiative consulting services to provide advisory support to facilitate delivery of the Graduation approach through the harmonized Padayon SLP intervention. BRAC UPGI's TA support will demonstrate an effective approach to contribute in helping Filipino families to escape poverty on a sustainable basis by building on the DSWD convergence strategy and will be implemented through existing DSWD structures.

3. Objective of Market and Livelihoods Assessment

DSWD and ADB, in consultation with BRAC's Ultra-Poor Graduation Initiative, are seeking a Market Assessment Consultant to conduct a localized market assessment and identify sustainable livelihood options. Sustainable livelihoods through an upfront injection of capital in the form of a productive asset is a distinguishing feature of the Graduation approach. Determining the specific livelihoods and related asset packages requires a localized market assessment, assessment of viable livelihoods for Graduation participants, and value chain mapping pegged to the skills and resources possessed by extreme poor households in target communities in the provinces of Bukidnon, Sultan Kudarat, and Iloilo. Municipalities may include: Valencia and Malaybalay, Bukidnon; Lebak, Sultan Kudarat; and Iloilo City and Oton, Iloilo. Note that tentative municipalities will be finalized before contracting with the consultant team or firm.

The goal of the market assessment is to determine a menu of profitable livelihood options relevant for the extreme poor in target communities, with enough detail to match participating households to suitable livelihoods. In addition, the market assessment should:

- account for potential COVID-19 related risks and outline strategies participants may employ to adapt in the event of a new lockdown; and
- identify strategies for participants to diversify their assets over a 6-12 month period in order to foster greater economic resilience (for example, participants who engage in chicken egg production may then expand into chicken fertilizer production).

COVID-19 Implications: The project partners recognize there may be some issues caused by the COVID-19 pandemic, particularly for conducting fieldwork. In addition to following the Government of the Philippines' health guidelines, the project partners are committed to adapting and supporting the Consultant based on the changing implications of the pandemic. As part of this support, the Consultant can be provided with official letters confirming government project affiliation, potentially allowing for more freedom of movement to access targeted provinces. Consultants will be endorsed to the DSWD Regional Office for coordination and support during the conduct of the field work and the analysis. Partners will also work with the Consultant to strategize other solutions, such as utilizing locally-based SLP staff or sub-contracting locally based enumerators to conduct field surveys.

Key objectives of the market assessment include the following:

- A. Conduct a **localized market assessment** with analysis of relevant local market systems, including market infrastructure, policy landscape, access and participation, mapping of relevant market actors, and COVID-19 related risks and strategies
- B. Perform an **assessment of viable livelihoods** from among promising market systems

- and value chains in order to pinpoint opportunities and risks facing extreme poor households in the selected geographies, including COVID-19 related risks and strategies
- C. Formulate **potential asset packages** corresponding to the recommended livelihood options and assess:
- i. Minimum skills and resources required
 - ii. Required linkages and partnerships along the value chain
 - iii. Profit projections
 - iv. Key challenges, risks, and mitigation strategies
 - v. Accompanying technical training topics and curriculum
 - vi. Recommended training providers
 - vii. COVID-19 related risks and livelihoods mitigation strategies
- D. Outline **asset diversification strategies** for participants who begin in engaging in selected livelihood options to expand and diversify their assets over a 6-12 month period, including COVID-19 related risks and strategies
- E. Develop a **profiling tool** to match households participating in the Graduation program with appropriate livelihoods

It is anticipated that these objectives will be met through the following:

- A. Conduct a **localized market systems analysis** to understand how the extreme poor interact in local market systems, identify barriers they face to market access, and identify market systems and value chains for the extreme poor to engage in, including:
- *Potential:* Assess the demand (current and future) for the core products and services in the identified market systems
 - *Risks:* Identify current and potential future or emerging risks for engaging in these market systems and value chains, including risks participants may face in the event of another COVID-19 related lockdown.
 - *Policy:* Highlight policy issues that may affect these market systems, including COVID-19 related policies.
- B. **Perform an assessment of viable livelihoods** from among promising market systems and value chains in order to pinpoint opportunities and risks facing extreme poor households in the selected geographies. Identify criteria that will be used to assess potentially viable livelihoods for Graduation participants that can be managed by households with limited resources and skills who are often disconnected from market opportunities. Livelihood options should take into consideration a relatively short-term window for income generation of 1-6 months (1-3 months for livelihoods such as petty trade and up to 6 months for livestock).
- A gender lens should be integrated into livelihood selection criteria to identify viable livelihood options for women, based on their existing skills, care burden and issues such as safety and sexual harassment. For example, livelihoods options should include some home-based livelihoods.
 - Livelihood selection criteria should be site-specific and designed to ensure livelihood options are adapted to the unique constraints and opportunities in the program site. This should include considerations about the availability of demand

for such goods and services as well as access to inputs and other support services.⁵

C. Develop **asset packages and accompanying support for a short list of 8-12 livelihoods**. These should be developed through detailed value chain analysis and assessment of :

- Necessary **inputs or resources** required to engage in each recommended livelihood and their costs and sources. Where feasible, identify combinatory asset packages (e.g., livestock and petty trade) to diversify inputs to households, ensuring that these options fall within the per household cost of the livelihood and training package. The total cost per household should not exceed **20,000Php**.
- **Minimum requirements** or profiles needed for participating households, including skills, training, or aptitudes
- **Relevant market services and recommended sources** of assets, capital, resources for each option (e.g., procurement, extension services, financial services, transportation, processing, etc.)
- **Gaps** in support services that may need to be filled and how
- **Linkages with buyers and sellers** required to acquire necessary inputs, services, etc., for long-term sustainability
- **Business/profitability analysis** of each package, including projected cash flow, income and expenditure, profits, and return on investment
- **Technical training areas and content** and training providers
- **Environmental, social, political and financial requirements** and impacts of the recommended livelihood options
- **Barriers to entry** and factors affecting **profitability** for participating households, as well as **risks and mitigation strategies**

D. **Identify livelihood diversification strategies** for participants to begin engaging in a second livelihood within a 6-12 month timeframe.

E. Develop a **profiling tool** to match households participating in the Graduation program with appropriate livelihoods.

3. Scope of Work

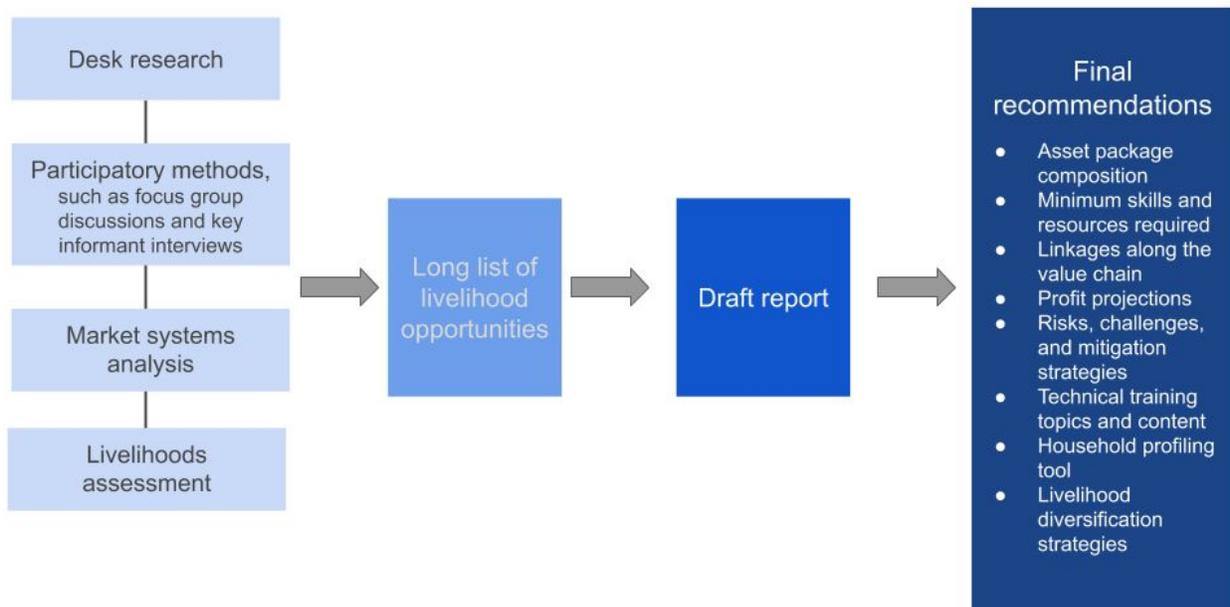
To complete the above objectives, the consultant(s) are expected to perform the following:

1. Submit an inception report for feedback and validation from DSWD, ADB, and BRAC UPGI. The report should include:
 - A detailed methodology of how to carry out the study, including field activities and criteria to identify viable livelihood opportunities
 - All data collection tools required to collect the assessment data
 - A desk review of existing market studies commissioned by government ministries, development partners, or civil society in the relevant context

⁵ For example, a food cart business may be applicable in an area inside the barangay because of high foot traffic from schools, however, the vendor may encounter difficulty in getting inputs/inventory from the city or municipality market. Thus, high cost of transportation may eat up gains from sales.

2. Present preliminary findings of the market assessment and a long list of 15-20 viable livelihood options via Powerpoint to DSWD, ADB, and BRAC UPGI for feedback.
3. Submit a draft report to DSWD, ADB, and BRAC UPGI and partners that incorporates feedback on the preliminary findings. The draft report should include a short list of 8-12 livelihood opportunities that will be integrated into the Graduation program, taking into account the various barriers, constraints, and existing skills and resources among different segments of Graduation participants, including women. The draft report should include:
 - Localized market observations and analysis
 - Detailed asset packages and recommendations for each livelihood (see 9. Sample Templates for detailed list of recommendations required)
 - Recommended strategies for asset diversification
 - Household profiling tool
4. Finalize recommendations in a final report to be validated by DSWD, ADB, and BRAC UPGI, among other relevant partners.

STEPS TO THE COMPLETE ASSESSMENT:



4. Implementation Timeline and Outputs

The total duration for this assignment is 66 working days (3 months) with effect from January 2020 - April 2021. This includes all relevant fieldwork, preliminary presentation and approved submission of draft report and final report. Additional days beyond the allocated days may be proposed in consultation with DSWD, ADB, and BRAC UPGI.

Payment is contingent upon approved deliverables deemed satisfactory by DSWD, ADB, and BRAC UPGI. All submissions should incorporate feedback from DSWD, ADB, and BRAC UPGI.

| # | Key deliverables | Due Date | Payment Percentage |
|---|--|----------|--------------------|
| 1 | <p>Inception Report, including:</p> <ul style="list-style-type: none"> ● Desk review of existing market studies commissioned by government ministries, development partners, or civil society in the relevant context ● Research methodology including tools, mechanisms, approaches, and proposed criteria to identify viable livelihoods ● Set of data collection tools to carry out the market assessment in the target areas. | Jan 2021 | 10% |
| 2 | <p>Preliminary presentation outlining findings from the market assessment and assessment of viable livelihoods, including long list of viable livelihoods</p> | Feb 2021 | 20% |
| 3 | <p>Draft report submitted after feedback solicited on preliminary presentation, including (as in Objectives above):</p> <ul style="list-style-type: none"> ○ Details of localized market assessment with value chain analysis ○ Details of assessment of viable livelihoods for target households ○ Short-listed livelihood options ○ Details of potential asset packages, including required inputs and necessary linkages within the value chain, required training and recommended training providers ○ Minimum requirements for households to participate in each livelihood option ○ Profit projections for each livelihood option ○ Details of challenges, risks, and mitigation strategies, including potential COVID-19 related risks and strategies participants may employ to adapt in the event of a new lockdown ○ Recommended strategies for asset diversification | Mar 2021 | 30% |
| 4 | <p>High quality final report submitted after feedback solicited on draft report</p> | Apr 2021 | 40% |

5. Qualifications and Experience

A. Qualifications & Education

- All applicants should be adequately staffed with qualified personnel with at least relevant Masters degrees (Economics, Urban Development, Sociology, etc.) and experience in surveying, data analysis, and report writing.
- Individual consultants may be affiliated with an officially registered not-for-profit organization (e.g., research institute, academic institution) incorporated and offering similar services.

B. Experience

- Demonstrated expertise in local market systems analysis, approaches, and assessments conducted in the Philippines;
- Experience in livelihoods strengthening;
- Demonstrated expertise in livelihoods strategies for extreme poor populations;
- Demonstrated experience using qualitative and participatory research methods;
- Expertise in business analysis, including profit and loss projections, risk, etc;
- Experience working with/in the private sector and with government departments is an advantage, not required;
- Excellent written and spoken English language and communication skills. Tagalog desirable.
- Displays cultural, gender, religion, race, nationality, and age sensitivity and adaptability

6. How to Apply

Consultant(s) are encouraged to apply by submitting a concise proposal that includes:

- A. Proposed methodology and work plan to carry out the assignment
- B. A detailed budget outlining all related costs, including field visits
- C. CV(s) of consultant(s) to complete the assignment
- D. References of documented work that demonstrates similar previous assignments. All applicants should provide documentary evidence (e.g., contract award or reference letter from previous clients stating scope of services and deliverables) of previous projects for at least the last three (3) years or more.

Please submit all documentation electronically to applications@brac-upgi.org no later than Monday, January 4, 2021 by 5pm Manila time (GMT+8) with the subject "Application for Market Assessment Consultant, DSWD - Candidate Name." Applications are reviewed on a rolling basis.

Only soft copy applications will be considered, and only shortlisted candidates will be contacted.

7. Proposal Structure & Scoring Criteria

- A. Technical Proposal:** The Technical Proposal should contain the following items meeting the stipulations indicated:
 - a. Proposed methodology and work plan to carry out the assignment
 - Proposed approach or work plan that elaborates and/or improves upon the approach and outline provided in the TOR
 - Management plan that relates the team members to the tasks to be

- performed and describes each team member’s planned contribution to the analysis in person/days in field and at home and according to task
- Gantt or bar charts detailing the duration of each task and the involvement of individuals over time.
- b. Background and CV(s) of consultant(s) to complete the assignment
 - Brief background on the proposed consulting team specifying the degree to which the individuals have collaborated on past assignments
 - Qualifications of each consulting team member
 - Full CV of each individual consultant who is proposed.
- c. References of documented work that demonstrates similar previous assignments.

B. Financial Proposal: The Financial Proposal should contain:

- a. Fee breakdown: Daily rates and numbers of days, by task, of each member of the consulting team
- b. Expenses: All meals, hotel, travel, incidentals, communication, production, facilities and other expenses anticipated for the project
- c. Calculation of total cost.

8. Sample Templates

See **sample templates** below for information to be provided for preliminary livelihood selection and final asset package recommendations:

| [TEMPLATE] Preliminary Livelihoods Selection | |
|--|--|
| Livelihood | <i>(e.g. swine fattening, food cart)</i> |
| Rationale/Demand | <i>What is the market outlook for this livelihood? Why is it relevant for Graduation participants?</i> |
| Risks | <i>What are the key risks associated with this livelihood?</i> |
| Recommendation | <i>What kind of training, linkages, and risk mitigation strategies will be required?</i> |
| Project implementation | <i>What is the target profile for participants engaging in this livelihood?</i> |

| [TEMPLATE] Final Asset Packages Recommendations | |
|---|--|
| Selected Livelihood | <i>(e.g. swine fattening, food cart)</i> |

| | |
|--|--|
| <p>Recommended Asset Package to be Delivered by Program</p> | <p><i>What is the recommended livelihood to be provided by the program, including a cost breakdown for the required inputs (including quantity and cost per unit)?</i></p> <p><i>Per project budget, the cost of livelihood packages per household must not exceed XX USD per household. All selected livelihood package options should meet this criteria.</i></p> |
| <p>Suppliers</p> | <p><i>What kinds of linkages to suppliers are required? Who are recommended suppliers?</i></p> <p><i>(e.g. XYZ supply store)</i></p> |
| <p>Marketing and Vendors</p> | <p><i>Where will products or services be sold? What linkages to vendors are required? Who are recommended vendors?</i></p> |
| <p>Required Skills and Resources</p> | <p><i>What are the prerequisites (assets, skills) for a household to participate in this livelihood?</i></p> <p><i>(e.g: space to keep livestock, experience raising livestock, access to land, access to reliable number of family members available to participate in the livelihood, etc)</i></p> |
| <p>Technical Training Required</p> | <p><i>What technical training topics should be covered for participants in this livelihood? Who are recommended training providers?</i></p> <p><i>(Example training topics may include:</i></p> <p><i>General: Business Management, Bookkeeping, Accounting and Budgeting, Procurement and Marketing, Food Safety and Sanitation, Standard Measuring and Use of Equipment</i></p> <p><i>Food Cart: Basic Cookery, Proper Packaging</i></p> <p><i>Managing Clients: Identifying Clients, Preparing Quality Products, Competition, Negotiation with Middlemen)</i></p> |
| <p>Recommended Training Providers</p> | <p><i>ex) Seasonal Livelihood Programming trainer</i></p> |
| <p>Projected Profit</p> | <p><i>Include illustrative calculation showing the projected profit per participant and expected timeline of profit.</i></p> <p><i>Please note that the consultant should provide guidance on how/when participants should measure profit, as this is likely to vary by livelihood. For example, participants engaged in swine fattening would measure profit seasonally while participants engaged in food carts may measure profit daily.</i></p> |
| <p>Key Considerations and Potential Risks</p> | <p><i>Where relevant, summarize key recommendations related to timing of asset delivery, sequencing of training, key risks to consider, etc.</i></p> |