



# Report and Recommendation of the President to the Board of Directors

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Project Number: 49117-003  
November 2019

## Proposed Policy-Based Loan for Subprogram 2 Republic of the Philippines: Facilitating Youth School-to-Work Transition Program

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Asian Development Bank



## CURRENCY EQUIVALENTS

(as of 21 October 2019)

Currency unit	–	peso (₱)
₱1.00	=	\$0.01955
\$1.00	=	₱51.43

## ABBREVIATIONS

ADB	–	Asian Development Bank
DOF	–	Department of Finance
DOLE	–	Department of Labor and Employment
DOT	–	Department of Tourism
ILO	–	International Labour Organization
JSP	–	JobStart Philippines
LGU	–	local government unit
NEET	–	not in employment, education, or training
OFW	–	Overseas Filipino Worker
PBL	–	policy-based loan
PESO	–	public employment service office
SENA	–	Single Entry Approach
SPES	–	Special Program for the Employment of Students
TA	–	technical assistance
TESDA	–	Technical Education and Skills Development Authority

## NOTE

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

<b>Vice-President</b>	Ahmed M. Saeed, Operations 2
<b>Director General</b>	Ramesh Subramaniam, Southeast Asia Department (SERD)
<b>Directors</b>	Jose Antonio R. Tan III, Public Management, Financial Sector, and Trade Division, SERD Ayako Inagaki, Human and Social Development Division, SERD Kelly Bird, Philippines Country Office, SERD
<b>Team leaders</b>	Cristina Lozano, Senior Economist (Public Finance), SERD Shamit Chakravarti, Principal Social Sector Specialist, SERD
<b>Team members</b>	Robert Boothe, Public Management Specialist, SERD Tatiana Golubko, Counsel, Office of the General Counsel Jenelyn Mendez-Santos, Project Analyst, SERD Karen Sanchez, Senior Project Assistant, SERD Stephen Schuster, Principal Financial Sector Specialist, SERD
<b>Peer reviewer</b>	Shanti Jagannathan, Principal Education Specialist, Sustainable Development and Climate Change Department

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## PROGRAM AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number:</b> 49117-003	
<b>Project Name</b>	Facilitating Youth School-to-Work Transition Program (Subprogram 2)	<b>Department/Division</b>	SERD/SEPF
<b>Country</b>	Philippines	<b>Executing Agency</b>	Department of Finance
<b>Borrower</b>	Philippines		
<b>Country Economic Indicators</b>	<a href="https://www.adb.org/Documents/LinkedDocs/?id=49117-003-CEI">https://www.adb.org/Documents/LinkedDocs/?id=49117-003-CEI</a>		
<b>Portfolio at a Glance</b>	<a href="https://www.adb.org/Documents/LinkedDocs/?id=49117-003-PortAtaGlance">https://www.adb.org/Documents/LinkedDocs/?id=49117-003-PortAtaGlance</a>		
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ <b>Public sector management</b>	Economic affairs management		250.00
<b>Education</b>	Technical and vocational education and training		150.00
		<b>Total</b>	<b>400.00</b>
<b>3. Operational Priorities</b>		<b>Climate Change Information</b>	
✓ Addressing remaining poverty and reducing inequalities		Climate Change impact on the Project	Low
✓ Accelerating progress in gender equality			
✓ Making cities more livable			
✓ Strengthening governance and institutional capacity			
<b>Sustainable Development Goals</b>		<b>Gender Equity and Mainstreaming</b>	
SDG 1.3		Effective gender mainstreaming (EGM)	✓
SDG 4.4			
SDG 5.c			
SDG 8.3, 8.5, 8.6			
SDG 10.4			
<b>4. Risk Categorization:</b> Complex		<b>Poverty Targeting</b>	
		Geographic Targeting	✓
<b>5. Safeguard Categorization</b>		<b>Environment: C Involuntary Resettlement: C Indigenous Peoples: C</b>	
<b>6. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>400.00</b>	
Sovereign Programmatic Approach Policy-Based Lending (Regular Loan):		400.00	
Ordinary capital resources			
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>400.00</b>	
<b>Currency of ADB Financing:</b> US Dollar			





## I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on: (i) a proposed policy-based loan (PBL) to the Republic of the Philippines for subprogram 2 of the Facilitating Youth School-to-Work Transition Program; and (ii) the proposed inclusion of subprogram 3 in the programmatic approach.

2. The program supports government efforts to improve the employability of at-risk youth and facilitate young Filipinos' transition to the workforce by: (i) improving youth labor market programs; (ii) enhancing youth training systems; and (iii) strengthening labor market policies for the benefit of the youth. The design and monitoring framework is in Appendix 1. Subprogram 2 is included in the country operations business plan for the Philippines, 2019–2021 of the Asian Development Bank (ADB).<sup>1</sup>

## II. PROGRAM AND RATIONALE

### A. Background and Development Constraints

3. **Programmatic approach and budget support.** The use of a programmatic approach with a PBL and technical assistance (TA) aligns ADB support with the government's reform agenda. Lending provides leverage to catalyze support for difficult reforms, while TA ensures that technical issues are addressed effectively. In May 2017, ADB's Board of Directors approved the programmatic approach and a \$300 million loan for subprogram 1.<sup>2</sup> Through 14 policy actions, subprogram 1 implemented reforms to restructure public employment services and strengthen labor market activation and skills development programs for the youth. This provided a foundation for the reforms in subprogram 2. Through 15 policy actions, subprogram 2 rolled out innovative labor market programs and facilitated access to training opportunities to acquire the skills, knowledge, and competencies to enhance the youth's ability to secure and retain a job.

4. The program was designed to comprise two subprograms with the possibility of including a third subprogram. This approach allows ADB to pace its support for the government's reform efforts. Demonstrating its long-term commitment to labor market reforms, on 18 February 2019 the government requested subprogram 3 (and a \$300 million loan indicative) to continue the reform momentum. Subprogram 3 will be implemented from April 2019 to April 2021 and will include 17 policy actions that focus on expanding job facilitation services to workers from marginalized sectors to reduce poverty and vulnerability, increasing the institutional capacity of public employment service offices (PESOs), and promoting and facilitating workforce learning in key job-generating sectors.

5. **Background.** The Philippines has been one of the fastest-growing economies among the Association of Southeast Asian Nations member countries since the global financial crisis in 2008. Economic growth averaged 6.3% per year during 2010–2018, a substantial increase from the 4.5% average annual growth rate recorded during 2000–2009 and the 2.4% average annual growth posted during 1980–1999. In addition, the unemployment rate substantially declined from a peak of 11.8% in 2014 to 5.3% in 2018. At the same time, poverty incidence declined from

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<sup>1</sup> ADB. 2018. [Country Operations Business Plan: Philippines, 2019–2021](#). Manila.

<sup>2</sup> ADB. 2017. [Philippines: Facilitating Youth School-to-Work Transition Program \(Subprogram 1\)](#). Manila.

26.6% in 2006 to 21.6% in 2016. To maintain this momentum, the Philippine Development Plan, 2017–2022 continues the government’s strong emphasis on inclusive growth.<sup>3</sup>

6. **Development problem.** While the Philippines shows the usual inverse correlation between economic growth and poverty incidence, this is weaker than in other economies in Southeast Asia. For example, household income inequality (as reflected by the Gini coefficient) is higher in the Philippines than in Cambodia, Indonesia, the Lao People’s Democratic Republic, and Viet Nam. Weak labor market performance in the Philippines is largely responsible for the limited decline in the poverty rate despite strong economic growth. Nonwage workers account for 40% of all employed, and households relying on nonwage incomes are significantly more likely to be poor than households headed by individuals with formal wage employment. Labor market performance also varies between demographic groups, with the unemployment rate of the youth—people between 15–24-years old who are mostly entering the job market for the first time—a dominant problem in the labor market. The government has undertaken education and labor market reforms that have led the youth unemployment rate to decline from 15.3% in 2014 to 13.4% in 2018.

7. However, the youth unemployment is still twice that of the national rate. An indicator of the dynamism of the labor market is the time it takes for young people to transition from school to a wage job. In the Philippines, it takes up to four years for a high school graduate and up to two years for a college graduate to find a permanent wage job. Young women and youths from low-income households have the most difficult time integrating into the labor market.<sup>4</sup> The slow transition reflects a widening skills mismatch. The consequence of slower school-to-work transition for young people is rapid depreciation of their skills and difficulty in integrating productively into the labor market.

8. Because it takes the youth so long to find employment, there are high levels of youth not in employment, education, or training (NEET). The NEET rate includes the unemployed, discouraged job seekers, or those unable to work because of family responsibilities or disability.<sup>5</sup> In Southeast Asia and the Pacific, about 18% of young people are NEET. In 2008 the NEET rate in the Philippines was 24.4% and by 2017 it had declined to 21.7%.<sup>6</sup> The NEET rate is twice as high in low-income households than in well-off households and is higher among young women (28.4%) than young men (15.2%) (Figure 1). This implies that one in four people aged 15–24 years old, or about 4.4 million young Filipinos, are underused and their skills are not being enhanced by education, training, or employment. The higher female NEET rate is the result of young women’s economic inactivity, as they are the household caretakers who are not looking for work or who remain out of the workforce. Young women without college degrees have higher NEET rates as well. College education motivates women to enter the labor market earlier and stay longer.<sup>7</sup> In 2017 young women in the Philippines were almost twice as likely as young men to be out of school, not be gainfully employed, or not have finished college or post-secondary

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<sup>3</sup> Government of the Philippines, National Economic and Development Authority. 2017. [Philippine Development Plan, 2017–2022](#). Manila.

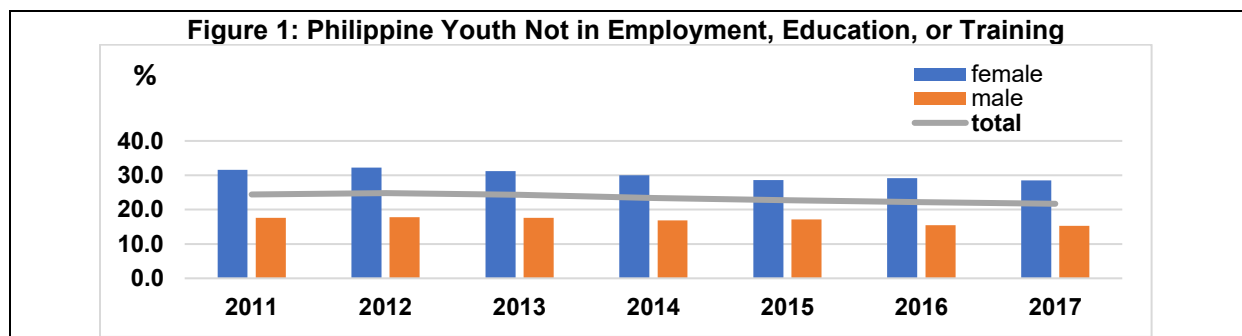
<sup>4</sup> Sector Assessment (Summary): Public Sector Management (accessible from the list of linked documents in Appendix 2).

<sup>5</sup> The NEET rate is the total unemployed youth who are not currently attending schools plus the total youth not in the workforce who are not currently attending schools, as a percentage share of the total youth household population.

<sup>6</sup> International Labour Organization (ILO). 2017. [Global Employment Trends for Youth 2017: Paths to a Better Working Future](#). Geneva.

<sup>7</sup> ILO. 2017. [Decent Work Country Diagnostics: Philippines 2017](#). Geneva.

education; 57% of young women gave marriage or family matters as the reason for not attending school, while only 2.7% of young men did.<sup>8</sup>



Source: Asian Development Bank.

9. The high youth unemployment rate increases the risk that the youth group will become socially excluded, with income below the poverty line and without the skills needed to improve their economic situation. The central policy challenge for the Philippines is to accelerate inclusive growth by improving the youth's employability and increasing decent work opportunities to reduce poverty. To meet these goals, it is vital to establish appropriate job facilitation and skills strategies.

10. **Binding constraints.** The government recognizes the challenges to increasing the income-earning ability of young Filipinos, including the need to: (i) improve job facilitation services; (ii) enhance skills development and training systems; and (iii) strengthen labor policies.

11. **Low coverage and quality of public employment services.** Individuals from poor households find jobs through informal contacts, which tend to channel a high concentration of the poor into informal, low-paying jobs. Job seekers, especially those from poor households, need bigger, more formal networks to go beyond the limited opportunities offered by the informal sector in their local communities. Therefore, it is important for cities and municipalities to provide quality employment services. Improving the effectiveness of public employment services in a decentralized institutional setup will require three reforms. First, the government needs to institutionalize the provision of job facilitation services, such as job search assistance and career guidance, in key municipalities and cities through local government unit (LGU) PESOs. PESOs provide access to job facilitation services such as referrals, training, reintegration, and entrepreneurial services. These services ease the burden for women and members of marginalized groups (the poor and persons with disabilities) in searching for jobs. Second, budget allocations are needed to support PESOs in their core operations, including implementing critical labor market and livelihood programs. Third, PESO managers and personnel should meet minimum qualification standards to ensure technical proficiency.

12. Furthermore, reliable labor market information is not available locally. PESOs have limited ability to collect labor market information and inform job seekers and students about future labor market conditions by occupation, in-demand jobs, and skills shortages. The Philippines has been developing its national labor market information system through its National Skills Registry System and a vacancy database known as PhilJobNet.<sup>9</sup> However, the various labor market systems have not been integrated to form a comprehensive database to monitor the different job

<sup>8</sup> Government of the Philippines, Philippine Statistics Authority. 2018. [Nine Percent of Filipinos Aged 6 to 24 Years Are Out of School \(Results from the 2017 Annual Poverty Indicators Survey\)](#). News release. 6 June.

<sup>9</sup> [PhilJobNet](#). PhilJobNet is a web-based job and applicant matching system, which aims to advance job seekers' search for jobs and employers' search for labor. The National Skills Registry is lodged at PhilJobNet.

facilitation programs to foster a culture of rigorous evaluation and to inform policy makers about the effectiveness of different types of interventions.

13. **Weak skills development and training systems.** Skills mismatch is still an issue. Given rapid technological changes, jobs increasingly demand more complex and sophisticated skills. Socio-behavioral skills, such as managerial, leadership, interpersonal, and communication skills, are equally important. Two primary constraints have widened the skills mismatch between young job seekers and the skills demanded by enterprises. First, the government has not institutionalized a reference system of national standards of qualifications earned by individuals educated and trained in the Philippines. This type of system is necessary to support worker mobility, encourage lifelong learning, and build employment–industry linkages. Second, closer collaboration with employers is required to better tailor interventions to market needs, including investing in sector-specific training and incentivizing employers to recruit young people by fostering enterprise-based training programs such as internships and apprenticeships.<sup>10</sup> Moreover, workers are unable to upgrade their skills regularly. Most young workers, mainly low-skilled, do not have access to work-based learning opportunities and are stuck in low-paying and temporary jobs that lack decent prospects for career growth. For example, while the Philippine Employment Projections Model, 2013–2022 identified 10 key job-generating sectors, adequate support has not been provided to facilitate training and upskilling for these sectors.<sup>11</sup>

14. **Weak labor policies.** Creating decent work and ensuring income security are essential preconditions to inclusive growth. There are three primary constraints. First, workers are not guaranteed basic income security in case of involuntary unemployment and lack income support during job-to-job transitions, thus increasing their susceptibility to income poverty. Second, employers' noncompliance with occupational safety and health standards, including the provision of gender-sensitive workers' welfare facilities, is contributing to the rising number of cases of disease and injury in the workplace. Third, the labor dispute mechanism needs to be implemented more effectively to reduce the cost of disputes, which will particularly benefit women and workers from marginalized groups.

## B. Policy Reform and ADB's Value Addition

15. **The government's reform agenda.** The Philippine Development Plan, 2017–2022 lays the foundation for inclusive growth. It emphasizes accelerated human capital development as critical for making growth inclusive and reducing poverty and income inequality. Its three-pronged strategy is to (i) increase income-earning ability, (ii) ensure lifelong learning opportunities for all, and (iii) improve nutrition and health for all (footnote 3). In addition, a new government blueprint for decent job creation prioritizes entrepreneurship, youth unemployment reduction, education, and training. It aims to create 7.5 million jobs mainly in key job-generating sectors such as tourism, information technology and business process management, construction, and manufacturing.<sup>12</sup>

<sup>10</sup> Organisation for Economic Co-operation and Development (OECD) and ADB. 2017. *OECD Reviews on Local Job Creation: Employment and Skills Strategies in the Philippines*. Paris: OECD Publishing.

<sup>11</sup> S. Hilal, T. Sparreboom, and D. Meade. 2013. [The Philippines Employment Projections Model: Employment Targeting and Scenarios. Employment Working Paper, No. 140](#). Geneva: ILO. The model for 2013–2022 covers 72 sectors and identifies sectors with increasing and decreasing growth. The 10 key job-generating sectors are information technology and business process management, tourism, agribusiness, manufacturing, wholesale and retail trade, transport and logistics, construction, banking and finance, education, and health and wellness.

<sup>12</sup> Government of the Philippines, Department of Labor and Employment and Department of Trade and Industry. 2016. *Trabaho, Negosyo at Kabuhayan: A Blueprint for Decent Employment and Entrepreneurship, 2017–2022*. Manila..

16. **Programmatic approach and subprogram 2.** The programmatic approach supports the following reform areas: (i) improving public employment facilitation services, (ii) enhancing skills development and training systems, and (iii) strengthening labor market policies. At the inception of the programmatic approach, the government agreed to accomplish seven prior actions representing high-impact reforms and eight policy milestones as the basis for subprogram 2. All seven prior actions have been fully accomplished, with two exceeding expectations (the national roll-out of Job Start Philippines (JSP) program and the enactment of the Philippine Qualifications Framework). A new prior action was added to capture the efforts to establish an unemployment insurance benefit.

17. Regarding policy milestones, during processing of subprogram 2: (i) two complementary policy milestones were merged (the PESO Employment Information System was set up as an enhanced labor market information system that can also monitor implementation of job programs); (ii) a new policy milestone was added at the government's request to recognize efforts to enact legislation on occupational safety and health standards; and (iii) certain policy milestones were refined at the government's request to streamline the policy matrix. One policy milestone on the rationalization of job programs was partially accomplished, as more time is needed to perform analytics on which to base the rationalization. The government requested that this policy milestone be moved to subprogram 3. Subprogram 2 now comprises eight prior actions and seven policy milestones, all of which have been accomplished.<sup>13</sup>

18. **Government employment facilitation services.** This reform area supports the effective delivery of employment services, particularly to young job seekers, including women and members of marginalized groups, such as poor men and women and persons with disabilities. Under the Public Employment Service Office Act of 1999 and its 2015 amendments, all provinces, cities, and municipalities should establish PESOs that will be operated and maintained by LGUs. PESOs are linked to the regional offices of the Department of Labor and Employment (DOLE) for coordination, technical supervision, and capacity development. Subprogram 2 accomplishments include increasing the number of operational PESOs to 1,253, of which 496 are fully institutionalized.<sup>14</sup> This represents an increase from 390 fully institutionalized PESOs in 2015, which has improved the quality and coverage of employment services across the country. The national budget allocated funds to support adequate supervision and training of PESOs by the DOLE, totaling ₱84.5 million in 2017 and 2018. This funding is supplemented by LGU budget allocations to PESOs through the internal revenue allocation. In addition, the DOLE and the Technical Education and Skills Development Authority (TESDA) developed competency standards for PESO managers as a basis for developing national qualifications to enhance the professionalization of PESOs. The government implemented the PESO Employment Information System to provide up-to-date labor market information and monitor major job facilitation programs.

19. To enhance youth employability, the government pilot-tested the JSP program in 2014–2015 and enacted the JobStart Philippines Act in 2016 to institutionalize the program. Under subprogram 2, JSP has been expanded to 35 LGUs. JSP provides full-cycle job facilitation services, including training on life and technical skills, career coaching, and paid internships. JSP has benefited 17,537 out-of-school youths since its inception, of whom 57% are female and more than 70% are from low-income households. More than 200 employers have partnered with JSP to provide technical training, internships, and jobs to the youth beneficiaries. The government

<sup>13</sup> Summary Assessment of Policy Actions under Subprogram 2 (accessible from the list of linked documents in Appendix 2).

<sup>14</sup> A PESO is operationalized when it performs at least one core function of employment services. A PESO is considered institutionalized when it complies with the requirements of the Public Employment Service Office Act of 1999, including permanent positions, budgetary allocations, office space, and a full set of employment services.

introduced reforms to the Special Program for the Employment of Students (SPES), targeting to increase the number of beneficiaries to 393,500, of whom 59% are female. The SPES is an employment-bridging program that provides subsidized short-term job opportunities during school breaks to poor but deserving students and out-of-school youths to augment their family's income and help beneficiaries complete their education. Enrollment in the SPES has led to a 70% increase in job opportunities after program completion mainly because students continue working with their assigned employers.<sup>15</sup>

20. For subprogram 3, the government will increase the number of operational PESOs, improve their operation by preparing competency standards for all PESO staff, expand services to cover Overseas Filipino Workers (OFWs), and implement a job displacement monitoring system to meet the labor market information needs of vulnerable workers.

21. **Skills development and training systems.** To enhance education–employment linkages, the government has institutionalized the Philippine Qualifications Framework, which describes the training standards and qualifications that align with industry requirements. The framework informs employers on workers' capabilities to reduce job mismatch and increase productivity. The government has also provided substantial funding (₱10.8 billion in 2018) for TESDA's skills training and scholarship programs, such as the Training for Work Scholarship Program, the Special Training for Employment Program, the Private Education Student Financial Assistance Program, and various schemes under the Universal Access to Quality Tertiary Education Act, 2017. TESDA strengthened enterprise-based training by: (i) issuing new implementing rules and regulations to reform the dual training system to include a training allowance of at least 75% of the minimum wage, adjustable training hours, a standard training plan, and issuance of certificates of dual training;<sup>16</sup> and (ii) developing guidelines to implement a reformed apprenticeship program to streamline TESDA approval requirements for apprenticeship training plans and include a mandatory competency assessment, certification requirements, and insurance to trainees.

22. The Department of Tourism (DOT) pilot-tested a skills development grant scheme from 2013 to 2015 to create job opportunities in tourism. As a result of the pilot under subprogram 2, the government has allocated ₱100 million per year in 2017 and 2018 to roll out and implement the scheme nationwide, targeting at least 45% female beneficiaries. More than 27,000 employees and job seekers were trained (48% women) in the tourism sector in 2017 and 2018.

23. For subprogram 3, the government will partner with employers in priority economic sectors to enhance workers' skills and improve their long-term employment prospects by implementing the Enterprise-Led Learning Networks initiative. The TESDA Women's Center will develop targeted programs to foster women's participation in the labor market.

24. **Labor market policies.** Reforms in this area focus on strengthening the regulatory framework to provide income security and decent jobs. Subprogram 2 accomplishments include the introduction of unemployment insurance or involuntary separation benefits through amendments to the Social Security Act, 2018. This provides an income floor for workers in case they lose their job and allows them time to find a new job while unemployed. The Occupational Safety and Health Standards Act, 2017 was also enacted to require employers to comply with gender-responsive occupational safety and health standards. This includes informing workers on

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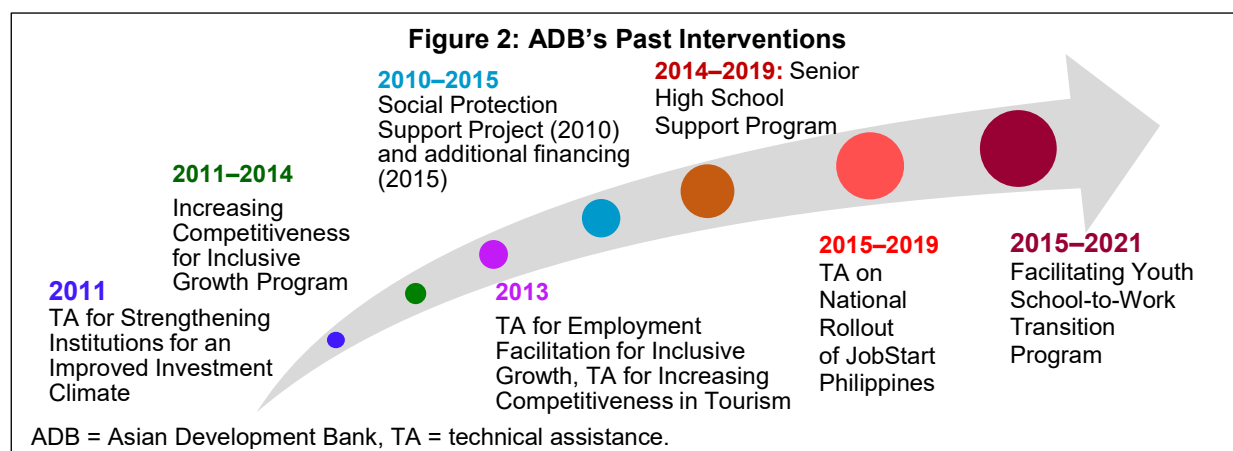
<sup>15</sup> E. Beam and S. Quimbo. 2019. [The Impact of Summer Employment for Low-Income Youth: Experimental Evidence from the Philippines](#).

<sup>16</sup> The dual training system combines theoretical (training center) and practical (company or workshop) training.

all types of hazards in the workplace and their right to refuse unsafe work, as well as providing facilities and personal protective equipment for workers. The government also continued implementing the Single Entry Approach (SENA) program, which has seen an increasing number of filed requests for assistance, benefiting women, workers from marginalized sectors, and OFWs.<sup>17</sup> SENA provides a fast, impartial, inexpensive, and accessible conciliation–mediation and settlement procedure of labor conflicts before they develop into actual labor cases. It is accessible through single assistance desks in all regions, including Philippine overseas labor offices. These desks received 188,115 requests in 2017 and 2018, of which 60.4% were resolved and settled.

25. For subprogram 3, the government will operationalize the unemployment insurance benefit, strengthen measures to support displaced workers, and improve services to facilitate reintegration of OFWs in the domestic economy.

26. **ADB experience.** ADB has supported the employment and skills development interventions of the Government of the Philippines through a mix of modalities, including TA, project financing, and PBLs (Figure 2). Through the Increasing Competitiveness for Inclusive Growth Program and associated TA projects funded by the Government of Canada, ADB helped the DOLE pilot-test JSP and roll it out nationwide.<sup>18</sup> ADB helped the DOT pilot-test a tourism industry skills development program, which the government has rolled out nationwide. In addition, ADB provided results-based lending for the Senior High School Support Program to increase school participation and supported the *Pantawid Pamilya Pilipino* Program, a conditional cash transfer program where poor households receive grants if children attend school, maintain more than 85% attendance, and get regular health checkups.<sup>19</sup> This integrated package of ADB assistance strengthens the supply side of the Philippine labor market. ADB support for infrastructure development and economic and financial reforms helps strengthen the demand side of the labor market by boosting economic activities and generating productive job opportunities.



Source: Asian Development Bank.

<sup>17</sup> The SENA mechanism is very emphatic on the *kasambahay* (domestic worker) as workers can file a request for assistance when aggrieved in the workplace. Notably, *kasambahays* are predominantly women. Most OFWs are also women, with the largest proportion aged 25–29 years old.

<sup>18</sup> ADB. 2014. [Philippines: Increasing Competitiveness for Inclusive Growth Program \(Subprogram 2\)](#). Manila; ADB. 2013. [Philippines: Employment Facilitation for Inclusive Growth](#). Manila; and ADB. 2013. [Philippines: Improving Competitiveness in Tourism](#). Manila.

<sup>19</sup> ADB. 2010. [Philippines: Social Protection Support Project](#). Manila; and ADB. 2014. [Philippines: Senior High School Support Program](#). Manila.

27. **Lessons learned.** ADB’s engagement helped inform subprogram 2 by highlighting three key lessons learned. First, new strategies require proof of concept through pilot-testing that demonstrates the feasibility of the strategy and its potential to build stakeholder engagement for reforms.<sup>20</sup> Second, proactive methods are needed to engage with employers, including providing incentives for on-the-job training programs to attract employees with appropriate qualifications and experience. Third, addressing the youth unemployment challenge requires a concerted, long-term effort involving government agencies, employers, educational institutions and communities.

28. **ADB’s value addition to program design and implementation.** ADB’s structured policy dialogue with the government under the PBL helped jointly identify and address legal, policy, and regulatory issues to successfully implement job facilitation and skills development programs. The range of improvements and their timing demonstrate a commitment to adjusting approaches to address youth employment in response to changing circumstances. In addition, ADB supported the DOLE in the design, pilot-testing, and rollout of JSP and helped increase the capacity of PESOs to provide holistic and integrated job facilitation services. ADB supported the DOT in identifying skills shortages that affect business competitiveness, developing a human resource development plan, and designing and pilot-testing a skills grants scheme. ADB also supported DOLE in formulating options for providing social protection for the unemployed.

29. **Strategic alignment.** The program supports the operational priorities of ADB’s Strategy 2030 (Table 1). The program is also aligned with ADB’s country partnership strategy for the Philippines, 2018–2023, particularly on human development and social protection.<sup>21</sup>

**Table 1: Alignment with Strategy 2030**

<b>Strategy 2030 Priority</b>	<b>Facilitating Youth School-to-Work Transition Program, Subprogram 2</b>
Addressing remaining poverty and reducing inequalities	Increasing employability of at-risk youth and facilitating access to wage jobs; improving education and training opportunities for the youth
Strengthening governance and institutional capacity	Supporting public management reform by improving labor market policies and programs; strengthening the institutional capacity of employment services and the professionalization of public employment service office staff
Accelerating progress in gender equality	Increasing women’s participation in the labor market; ensuring equal access to training opportunities for young women and enhancing women’s economic empowerment

Source: Asian Development Bank.

30. **Development partner coordination.** ADB forged a strong partnership with the Government of Canada, which has funded two large TA projects.<sup>22</sup> ADB jointly developed an analytical study on youth employment and skills development with the Organisation for Economic Co-operation and Development (footnote 10). The International Labour Organization is helping with policy development, and the United States Agency for International Development is assisting the youth in accessing work-based training positions.<sup>23</sup>

<sup>20</sup> ADB. 2016. [Completion Report: Increasing Competitiveness for Inclusive Growth Program \(Subprograms 1 and 2\) in the Philippines](#). Manila.

<sup>21</sup> ADB. 2018. [Country Partnership Strategy: Philippines, 2018–2023—High and Inclusive Growth](#). Manila.

<sup>22</sup> ADB. [Philippines: Employment Facilitation for Inclusive Growth](#); and ADB. [Philippines: Improving Competitiveness in Tourism](#).

<sup>23</sup> Development Coordination (accessible from the list of linked documents in Appendix 2).



### C. Impacts of the Reform

31. The three reform areas of the program are expected to increase the number of employed youths receiving higher earnings and holding more productive jobs. Economic gains are expected mainly through (i) reform of job facilitation services that increases the placement rates of out-of-school youths into wage jobs, and (ii) efficiency gains from the development of public–private partnerships in implementing labor market and skills programs.

### D. Development Financing Needs and Budget Support

32. The government has requested a regular loan of \$400 million from ADB's ordinary capital resources to help finance subprogram 2.<sup>24</sup> The loan will have a 15-year term, including a grace period of 3 years; an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the loan agreement. Based on the annuity repayment method, the average maturity is 12.1 years, and there is no maturity premium payable to ADB. In 2019, the government's total financing needs are \$20.1 billion (\$17.4 billion from the issuance of securities and \$2.7 billion from official development assistance). The loan size reflects the Philippines' financing needs and the development impact arising from the policy reform package.

### E. Implementation Arrangements

33. The Department of Finance (DOF) is the executing agency for the program. DOLE, DOT and TESDA are the implementing agencies. The implementation period is November 2016–March 2019. The proceeds of the PBL will be withdrawn in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

## III. DUE DILIGENCE

34. **Safeguards.** The program does not trigger ADB's safeguard policies and is classified *category C* for the environment, involuntary resettlement, and indigenous people.

35. **Poverty and social.** Subprogram 2 is classified effective gender mainstreaming. There are higher inactivity rates among young women, with a NEET rate of 28.4% as compared with 15.2% among young men. Programs such as JSP and the SPES help increase women's participation in the labor market. Women comprise 57% of JSP beneficiaries and the majority belong to low-income households; 59% of SPES beneficiaries are women. The tourism training grant scheme upskilled tourism employees and job seekers, of whom 48% are women.

36. **Governance.** The government strengthened its public financial management. The 2016 public expenditure and financial accountability assessment found that three of the seven core public financial management areas have improved: policy-based budgeting, transparency, and asset–liability management. Efforts to improve budget predictability and execution are ongoing. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and the DOF.

37. **Risk and mitigating measures.** Major risks and mitigating measures are summarized in Table 2 and described in detail in the risk assessment and risk management plan.<sup>25</sup>

<sup>24</sup> The loan amount increased to \$400 million from the indicative amount of \$300 in the programmatic approach given the substantial development financing needs. The loan may be disbursed in one or more installments.

<sup>25</sup> Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

**Table 2: Summary of Risks and Mitigating Measures**

<b>Risks</b>	<b>Mitigation Measures</b>
The public financial management framework has weaknesses.	The budget review process was strengthened, the number and size of special purpose funds were reduced, and the government institutionalized transparency as a precondition to accessing public funds.
Corruption may affect implementation.	The Good Governance and Anti-Corruption Cabinet Cluster implemented a results-based anti-corruption action plan to strengthen the capacity of the ombudsman and justice sector.
The technical capacity of the public employment service offices is insufficient to support implementation of employment programs.	The government has developed a competency framework for personnel of the public employment service offices to enhance the capacity and professionalization of staff following the Public Employment Service Office Act of 1999.

Source: Asian Development Bank.

**IV. ASSURANCES**

38. The government and DOF have assured ADB that implementation of the program shall conform to all applicable ADB policies, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement as described in detail in the loan agreement.

**V. RECOMMENDATION**

39. I am satisfied that the proposed policy-based loan would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve (i) the loan of \$400,000,000 to the Republic of the Philippines for subprogram 2 of the Facilitating Youth School-to-Work Transition Program, from ADB’s ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB’s London interbank offered rate (LIBOR)-based lending facility; for a term of 15 years, including a grace period of 3 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board; and (ii) the inclusion of subprogram 3 in the programmatic approach, as described in para. 4.

Takehiko Nakao  
President

12 November 2019

## DESIGN AND MONITORING FRAMEWORK

<b>Country's Overarching Development Objective</b>			
Wage employment rate for the country's youth increased (Philippine Development Plan, 2017–2022) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<b>Effect of the Reform</b> School-to-work transition period for youths shortened	<b>By 2022</b> a. NEET rate declines by 5 percentage points (2011 baseline: NEET rate 24.4% overall, 31.6% for women, 17.6% for men).  b. Youth unemployment rate declines by 3 percentage points (2013 baseline: 16.1%).  <b>For young women</b> c. NEET rate declines by 10 percentage points (2010–2013 baseline: NEET rate 50% for youth with high school diploma).  d. The median time for youth school-to-work transition declines by 1 year (2008 baseline: 4 years to find a wage job).  e. Youth wage employment rate 1 year after leaving school increased by 15 percentage points (2008 baseline: 20%).  <b>For young men</b> f. Youth wage employment rate 1 year after leaving school increased by 10 percentage points (2008 baseline: 30% ).	a. ILO database  b. PSA National Labor Force Survey  c–f. ADB household surveys in Manila and Cebu	External shocks causing fiscal constraints prevent the implementation of youth employment programs
<b>Reform Areas</b>  1. Improved public employment facilitation services	<b>Key Policy Actions</b> <b>Subprogram 2 (by 2019)</b> 1.1 Of the 1,253 operational PESOs, 496 are fully institutionalized and 852 received capacity development from the DOLE (2015 baseline: 390 fully institutionalized PESOs).  1.2 JSP rolled out to 35 LGUs. More than 200 employers partnered with JSP, which benefited 17,537 out-of-school youths, of whom 57% are women and more than 70% are from low-income households (2016 baseline: 14 LGUs, 4,989 beneficiaries).	1.1 DOLE reports  1.2 JSP annual reports	LGUs allocate insufficient staff resources to PESOs to implement JSP

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>2. Enhanced skills development and training systems</p> <p>3. Strengthened labor market policies</p>	<p>1.3 The SPES was enhanced by: (i) improving financial management and targeting of beneficiaries; (ii) linking it with JSP and other programs; and (iii) allocating ₱1.4 billion in funding in both the 2017 and 2018 GAA, reaching 393,500 beneficiaries in 2016 and 2017, of whom 59% are women (2015–2016 baseline: 232,350 beneficiaries, of which 58.8% were women).</p> <p>2.1 The government institutionalized the PQF by: (i) enacting the enabling legislation; (ii) creating the PQF NCC; and (iii) issuing the implementing rules and regulations to operationalize the PQF (2016 baseline: PQF not yet institutionalized).</p> <p>2.2 The government (through the DOT) implemented the tourism industry skills program nationwide and allocated ₱200 million in 2017 and 2018 to fund the training program. Of the 27,160 tourism employees who were trained, 48% are women. (2016 baseline: 7,550 trained).</p> <p>3.1 The government has enacted legislation to establish unemployment insurance under the Social Security Act (2016 baseline: no legislation supporting employment insurance).</p> <p>3.2 The government continued implementing SEnA and has seen an increasing number of filed requests for assistance (92,555 in 2017 and 95,560 in 2018), of which 60.4% were resolved and settled through SEnA (2016 baseline: 74,887 requests, 59% resolved and settlement).</p>	<p>1.3 DOLE annual report</p> <p>2.1 Official Gazette</p> <p>2.2. DOT reports</p> <p>3.1 Official Gazette</p> <p>3.2 SEnA reports</p>	

**Budget Support**

ADB: \$400,000,000 (loan for subprogram 2)

ADB = Asian Development Bank; DOLE = Department of Labor and Employment; DOT = Department of Tourism; GAA = General Appropriations Act; ILO = International Labour Organization; JSP = JobStart Philippines; LGU = local government unit; NCC = National Coordinating Council; NEET = not in employment, education, or training; PESO = public employment service office; PQF = Philippine Qualifications Framework; PSA = Philippine Statistics Authority, SEnA = Single Entry Approach; SPES = Special Program for the Employment of Students.

<sup>a</sup> Government of the Philippines, National Economic and Development Authority. 2017. [Philippine Development Plan, 2017–2022](#). Manila.

Source: ADB.

### **LIST OF LINKED DOCUMENTS**

<http://www.adb.org/Documents/RRPs/?id=49117-003-3>

1. Loan Agreement
2. Sector Assessment (Summary): Public Sector Management
3. Contribution to the ADB Results Framework
4. Development Coordination
5. Country Economic Indicators
6. International Monetary Fund Assessment Letter
7. Summary Poverty Reduction and Social Strategy
8. Risk Assessment and Risk Management Plan
9. List of Ineligible Items

### **Supplementary Documents**

10. Approved Report and Recommendation of the President to the Board of Directors: Facilitating Youth School-to-Work Transition Program (Subprogram 1)
11. Program Impact Assessment
12. Public Financial Management Assessment
13. Summary Assessment of Policy Actions under Subprogram 2

**DEVELOPMENT POLICY LETTER**

Republic of the Philippines  
**DEPARTMENT OF FINANCE**  
Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004

**DEVELOPMENT POLICY LETTER**

Mr. Takehiko Nakao  
President  
Asian Development Bank  
Manila, Philippines

Dear Mr. Nakao,

On behalf of the Government of the Philippines, we would like to thank the Asian Development Bank (ADB) for its continued support towards our national development agenda. This Development Policy Letter outlines our reform program and interest in obtaining a USD400 million budget support loan to fund government's labor market reforms to assist the youth to find decent employment, providing opportunities for skills enhancement primarily to address the problem of the youth who are not in education, employment and training (NEET) and supporting decent longer term employment for youth consistent with the objectives of the Facilitating Youth School-to-Work Transition Program (FYSWTP).

In the policy matrix attached, we have identified initiatives which we sought support from ADB through the FYSWTP. The program is consistent with the Philippine Development Plan, (2017–2022) specifically on accelerating human capital development for making growth inclusive and reducing poverty and income inequality. A three-pronged strategy is laid down as follows: (i) income earning ability increased; (ii) lifelong learning opportunities for all ensured; and (iii) nutrition and health for all improved. Quality productive employment for youth plays a critical role in helping government achieve the development aspirations of the Philippines, including sustainable and inclusive growth, and the reduction of poverty and inequality. In this regard, eliminating constraints which prevent the youth from accessing job opportunities in a timely manner remains our priority.

The FYSWTP 2 follows through on significant developments attained in FYSWTP 1 (implemented from January 2015 to October 2016) with the following major reform areas: (i) improving public employment facilitation services; (ii) enhancing skills development and training systems; and (iii) strengthening labor market policies. Under FYSWTP 1, achievements included, among others: restructuring the Public Employment Services Offices and labor market activation programs, institutionalization of the JobStart Philippines Program (JSP) (an employment facilitation program dedicated to youth), adoption of TVET quality assurance instruments, the enactment of the Philippines Green Jobs Act and improvements in the conciliation-mediation mechanism for resolving unfair dismissal disputes.

Building on these gains, FYSWTP 2 (implemented from November 2016 to March 2019) undertook the following reform actions, among others: increased number of operational and institutionalized PESOs, development of competency standards for PESO managers, implementation of the PESO Employment Information System, national roll-out of JSP to 35 local government units, institutionalization of the Philippine Qualification Framework, allocating budget for skills training and scholarships programs and reforms in the Dual Training System.

A handwritten signature in dark ink, appearing to be a stylized letter 'd' or similar, is located at the bottom left of the page.

We also present indicative policy actions for a third subprogram, tentatively proposed to cover the period of April 2019–April 2021, which will focus on a more targeted problem driven approach to reforms. Both subprograms are consistent with the Philippine Development Plan (2017–2022).

In closing, Mr. President, the Government will continue to implement proactive measures to ensure Philippines is able to sustain high and inclusive economic growth. Rest assured that we remain committed to the agenda outlined above. We look forward to the prompt consideration and approval of the FYSWTP 2 and extension of the programmatic approach.

Very truly yours,

A handwritten signature in black ink, appearing to read 'CDominguez', is written above the printed name.

CARLOS G. DOMINGUEZ  
Secretary of Finance



**POLICY MATRIX**  
**Facilitating Youth School-to-Work Transition Program**

Policy Actions	Subprogram 2 Accomplishments (Nov 2016 to March 2019) Prior Actions in bold	Indicative Subprogram 3 (April 2019 to April 2021) Prior Actions in bold	Medium-term Framework and expected results (2022 to 2025)
<b>1. Improve Employment Facilitation Services</b>			
<b>1.1 Transforming public employment service offices</b>	<p>The government has implemented reforms aimed at restructuring PESOs to improve employment service delivery to young people and increase job placement rates. These accomplishments included:</p> <p><b>1. 1,253 PESOs operationalized of which 496 are fully institutionalized under RA No. 10691 (with permanent plantilla positions, budgetary allocations, office space and full set of employment services) up from 390 in 2015. 852 PESOs received capacity development under DOLE's plan.</b></p> <p><b>2. To provide adequate financial support, the government through the GAA allocated a total of ₱84.5 million (2017 GAA allocation of ₱20.6 million and 2018 GAA allocation of ₱63.9 million) to cover the supervision and training for the different PESOs.</b></p> <p>3. To increase the capacities and professionalization of PESO staff, DOLE in partnership with TESDA completed the preparation of the PESO manager competency standards as part of a larger PESO competency enhancement.</p>	<p><b>1. To expand and enhance employment services, the government increases the number of operational PESOs, with at least 600 fully institutionalized, and provides enhanced career advocacy, coaching and counseling services for jobseekers, and OFWs through an online portal.</b></p> <p><b>2. To further improve the operation of the PESO network, the government:</b>  <b>(i) develops, approves and implements Training Regulations for PESO Managers which includes competency assessment tools as a basis for a broader competency-based curriculum and instructional materials to be developed by training institutions; and (ii) prepares competency standards for PESO staff.</b></p>	<ul style="list-style-type: none"> <li>• 1,500 PESOs institutionalized under RA No. 10691, received capacity development assistance, and implemented PEIS.</li> <li>• 1 million young jobseekers placed in employment through PESOs.</li> </ul>

Policy Actions	Subprogram 2 Accomplishments (Nov 2016 to March 2019) Prior Actions in bold	Indicative Subprogram 3 (April 2019 to April 2021) Prior Actions in bold	Medium-term Framework and expected results (2022 to 2025)
	<p>4. DOLE implemented its PEIS, which is an integrated monitoring and evaluation system for DOLE employment programs, and provided data disaggregated by sex. Currently, there are 807 active PEIS users.</p>	<p>3. The government increases the number of PESOs using the PEIS to at least 1000 and provides capacity development, through DOLE, to ensure its utilization. In addition, the government expands PEIS to cover information on OFWs. The government also implements Job Displacement Monitoring System within PhilJobNet to meet the labor market information needs of vulnerable groups of workers.</p> <p>4. To provide early identification of individuals with a high risk of falling into long-term unemployment, the government through DOLE develops a statistical profiling tool for youth unemployment which allows for the effective rationing of existing activation initiatives.</p>	
<p><b>1.2 Restructuring labor market activation programs</b></p>	<p><b>5. To provide enhanced employment opportunities, the government, through DOLE rolled out the JSP to 35 LGUs with a cumulative total of 17,537 out-of-school youth accessing JSP services with over 200 employers. 57% of beneficiaries are women and more than 70% are from low income households.</b></p> <p><b>6. DOLE enhanced the operation of the SPES by: (i) issuing the Implementing Rules and Regulations to improve financial management and targeting of beneficiaries; (ii) linking SPES with JSP and other programs; and (iii) allocating a total of ₱1.4 billion for SPES (for 2017 and 2018 GAA allocation of ₱708.8</b></p>	<p><b>5. To enhance and deepen the implementation of JSP, DOLE and LGUs: (i) provide counter-part funding by at least 50% of participating LGUs; (ii) develop a capacitated pool of at least 150 PESO staff to deliver life skills training; and (iii) increase the number of companies engaged in JSP, with 5 out of 10 priority employment generating sectors represented.</b></p> <p><b>6. DOLE enhances implementation of SPES program by: (i) developing and maintaining a monitoring system to track beneficiaries, monitoring implementation, improving management, and allowing for periodic evaluation; (ii) providing capacity</b></p>	<ul style="list-style-type: none"> <li>• JSP rolled out to at least 50 LGUs and cumulatively 25,000 young people accessed services under JSP, of which at least 55% are women, 70% beneficiaries are from low income households.</li> <li>• 500,000 young people accessed SPES program, of</li> </ul>

Policy Actions	Subprogram 2 Accomplishments (Nov 2016 to March 2019) Prior Actions in bold	Indicative Subprogram 3 (April 2019 to April 2021) Prior Actions in bold	Medium-term Framework and expected results (2022 to 2025)
	million each), reaching over 393,500 beneficiaries, including 232,350 women.	building and technical assistance to DOLE regional staff on the SPES policy guidelines and the new monitoring system, and (iii) conducting a nationwide consultation to support implementation.	which at least 50% are women.
<b>2. Enhance Skills Development and Training Systems</b>			
<b>2.1 Improving national qualifications framework and public funding for skills training</b>	<p><b>7. The government enhanced the education-employment linkage system by: (i) institutionalizing the PQF, which specifies levels of education qualifications and standards for qualification outcomes, establishes a quality assurance and recognition system, and aligns the qualifications framework with international standards; (ii) creating the PQF- NCC; and (iii) issuing the PQF-IRR to operationalize the PQF.</b></p> <p>8. Government through the 2018 GAA increased budget allocation for TESDA's skills training and scholarship programs such as the TWSP, the STEP, UAQTE (TVET component), and capacity building programs for trainers.</p>	<p>7. The government operationalizes the PQF to align educational outcomes with industry requirements and effective utilization of existing and future skills and qualifications in the labor market by: (i) operationalizing the technical working groups; (ii) creating a permanent technical secretariat; and (iii) appointing an Executive Director.</p> <p>8. To further improve the quality of education, the government establishes a credit and equivalency transfer system to facilitate movement of students from TVET to Higher Education, increasing students' opportunities for higher level degrees.</p> <p>9. TESDA (through TESDA Women Center) develops strategies and programs to encourage women to participate in the labor market, including: (i) developing a marketing and communications strategy for the center; (ii) developing promotional videos about successful women in non-traditional sectors (welding, automotive, electrical maintenance); and (iii) initiatives to improve women's access to entrepreneurial opportunities.</p>	<ul style="list-style-type: none"> <li>• The government (through TESDA) establishes innovation centers offering PQF Level 5 Diploma programs aligned with key employment generator economic sectors.</li> </ul>

Policy Actions	Subprogram 2 Accomplishments (Nov 2016 to March 2019) Prior Actions in bold	Indicative Subprogram 3 (April 2019 to April 2021) Prior Actions in bold	Medium-term Framework and expected results (2022 to 2025)
<p><b>2.2 Strengthening enterprise-based training modalities and industry skills development programs and funding</b></p>	<p>The government strengthened the enterprise-based trainings to better match skills development with demand, and improved access to and funding for industry skills training programs. Accomplishments included:</p> <p><b>9. To improve the quality of the Apprenticeship Program, TESDA prepared the Guidelines in the Implementation of the Reformed Apprenticeship Program to institute the following reforms: (i) streamlined TESDA approval requirements for apprenticeship training plans; (ii) mandatory competency assessment and certification requirements for apprenticeship programs; and (iii) provision of insurance to trainees.</b></p> <p>10. TESDA reformed the DTS by developing and issuing new Implementing Rules and Regulations to include: training allowance of at least 75% of the minimum wage, adjustable training hours, standard training plan, and issuance of certificates of dual training.</p> <p>11. DOLE has developed a draft National Green Jobs Human Resource Development Plan, and validation with the public and private sectors is ongoing.</p>	<p>10. To provide additional support for students, the government issued rules and regulations to implement the Tulong Trabaho Law, including a framework to establish a scholarship fund for TVET program – the beneficiaries of which will be NEET youth and workers interested in expanding their skills.</p> <p><b>11. To open additional areas of employment, the government implements the Green Jobs Act by: (i) launching the National Green Jobs Human Resource Development Plan and developing a monitoring and evaluation tool for the implementation of the Human Resource Development plan; (ii) creating a database on green careers, professions, skills and list of businesses that generate green jobs; and (iii) developing an assessment,</b></p>	<ul style="list-style-type: none"> <li>• At least 80,000 young people accessed apprenticeship program, of which at least 25.0% are women (mostly in manufacturing sector)</li> </ul>

Policy Actions	Subprogram 2 Accomplishments (Nov 2016 to March 2019) Prior Actions in bold	Indicative Subprogram 3 (April 2019 to April 2021) Prior Actions in bold	Medium-term Framework and expected results (2022 to 2025)
	<p><b>12. To develop in-demand skills, DOT implemented the TISP nationwide by: (i) facilitating access to industry trainings for tourism stakeholders and community-based organizations; and (ii) allocating ₱200 million through the 2017 and 2018 GAAs to fund the training program. 27,160 tourism industry workers trained in 2017 and 2018 of which 48% were women.</b></p>	<p>certification system, and guidelines on green industries with green jobs.</p> <p><b>12. To better match skills development to demand, the government implements the Enterprise-led Learning Networks which facilitates workforce learning in priority employment-generating sectors. At least 10 networks of around 10+ companies each established, and at least 7,000 trainees.</b></p>	<ul style="list-style-type: none"> <li>• 30 employer training networks established and 100,000 workers and job seekers trained.</li> </ul>
<b>3. Strengthen Labor Market Policies</b>			
<p><b>3.1 Improving income security and decent employment</b></p>	<p>The government (DOLE) has further strengthened policies to guarantee income security and access to decent jobs. These accomplishments included:</p> <p>13. To provide effective and efficient conciliation mediation services, the implementation of the SEnA program was intensified with increasing number of filed requests for assistance (92,555 and 95,560 in 2017 and 2018 respectively) of which 60.4% were settled through SEnA.</p> <p><b>14. To provide a safety net for workers, the government prepared amendments to the Social Security Act, which was enacted in February 2019, to allow the establishment of unemployment insurance benefit.</b></p>	<p>13. To improve the conciliation-mediation services, the government enhances implementation of the SEnA by: (i) amending the implementing regulations and regulations; and (ii) enhancing the capacity of the Single-Entry Assistance Desk Officers in facilitating settlements.</p> <p><b>14. The government establishes unemployment insurance by issuing the related implementing rules and regulations and providing initial funding for the scheme.</b></p> <p>15. DOLE strengthened measures to support displaced workers by reviewing all displacement related programs including the DOLE AMP to: (i) include all workers (local and abroad), including those not covered by</p>	<ul style="list-style-type: none"> <li>• Majority of employment disputes resolved through SEnA within 30 days of referral to SEnA.</li> <li>• Unemployment insurance benefit is operationalized, and DOLE issues certifications for beneficiaries.</li> <li>• Programs and mechanisms to assist displaced workers are institutionalized</li> </ul>

Policy Actions	Subprogram 2 Accomplishments (Nov 2016 to March 2019) Prior Actions in bold	Indicative Subprogram 3 (April 2019 to April 2021) Prior Actions in bold	Medium-term Framework and expected results (2022 to 2025)
	<p>15. The Government mandated the strict compliance of employers to workplace safety standards by issuing the implementing rules and regulations of the Occupational Safety and Health Standards Act.</p>	<p>unemployment insurance; and (ii) adopted measures to operationalize quick response teams and integrating the Job Displacement Monitoring System as an enabling mechanism for the AMP.</p> <p>16. DOLE improves services to facilitate reintegration of OFWs in the domestic economy, most of whom are women, by: (i) facilitating technical education and entrepreneurship assistance; and (ii) undertaking evaluation of livelihood programs to intensify targeted support.</p> <p>17. DOLE enforces gender-responsive occupational safety and health practices by (i) raising awareness and providing orientation to grade 12 students and teachers to address young workers' safety concerns; (ii) training at least 30,000 safety officers designated by employers, and (iii) increasing the number of inspectors.</p>	

AMP = Adjustment Measures Program, DOLE = Department of Labor and Employment, DOT = Department of Tourism, DTS = Dual Training System, GAA = General Appropriations Act, IRR = implementing rule and regulation, JSP = JobStart Philippines Program, LGU = local government unit, NCC = National Coordinating Council, NEET = not in employment, education, or training, OFW = Overseas Filipino Worker, PEIS = PESO Information System, PESO = public employment service office, PQF = Philippine Qualifications Framework, Republic Act = RA, SEnA = Single Entry Approach, SPES = Special Program for Employment of Students, STEP = Special Training for Employment Program, TESDA = Technical Education and Skills Development Authority, TVET = Technical and Vocational Education and Training, TWSP = Training for Work Scholarship Program, UAQTE = Universal Access to Quality Tertiary Education.

Source: Asian Development Bank.