Terms of Reference

Call for proposals: Consultant or institution for the research on economic diversification, productive employment and skills development through labour market and supply chain analysis in the Philippines

Background

The COVID-19 crisis has led to a massive disruption of economy and labour market in the Philippines. It has also revealed the vulnerabilities of sectors and firms that are dependent on foreign trade and intermediates.

The pre-existing vulnerabilities in supply chains in the Philippines have been exacerbated by the disruption of COVID-19 to the economy and labour market. ILO (2020) research on the COVID-19 and global supply chains highlighted the increased job disruption due to high or medium vulnerability to imported input supply disruption. While global value chain (GVC) participation in the Philippines provided opportunities to increase trade and advance development, it also brought supply chain risks and vulnerabilities that were brought to fore during the pandemic. According to the recently completed survey[1], many MSMEs indicated that due to disruptions they are facing major supply chain breakdowns, with close to 56% responding that the input necessary for their production sourced from international markets have no domestic alternative.

Furthermore, the ILO (2020) COVID-19 labour market impact assessment in the Philippines provided insights on the disruptive impact on employment and economic activity at sectoral level (e.g. manufacturing), as well as on vulnerable groups such as informal workers. In the context of increased calls for digitalization and discussions around reshoring, the ILO (2020) Future of Work study on the impact of digitalization in the Philippines analysed the disruptions and transformations for specific occupations and sectors, and the skills implications for occupational categories.

In this context, the United Nations in the Philippines through collaboration of the International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) aims to undertake research towards implementing an evidence-based Socio-economic and Peace Framework (SEPF) in the Philippines. The research aims to contribute to the strategic areas of focus in the People pillar as well as the Prosperity and Planet pillar of the SEPF. The SEPF recognizes the need to create productive employment and green jobs while promoting economic diversification. The evidence and policy recommendations generated from this study aim to contribute to the promotion of decent work and 'We Recover as One 'broader strategic objectives.

The research will focus on the growth opportunities in an economic and labour market landscape disrupted by dislocations and deceleration by focusing on key supply chains and analysing the scope for strengthening domestic supply capacities and productive employment.

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[1] UNDP Wave 1 MSME Survey (May 2020).

Objective

The objective of the assignment is to conduct research on economic diversification, productive employment and skills development through labour market and supply chain analysis in support of the socio-economic recovery in the Philippines.

The study will analyse sectors and parts of key supply chains with growth potential, by way of identifying subsectors that can be strengthened through economic diversification, MSE development, productive employment and skills development. Demand analysis will inform growth prospects. Analytical tools will be applied to determine the extent to which existing skills and MSEs may be reoriented towards new demand conditions and employment creation.

The study will take into account the participation of domestic employment, enterprises and skills at sectoral level in these sectors, the overall relationship to global value chains, and information on consumption and demand patterns, including export markets. The dependence on foreign intermediates, for example, may signify opportunity for diversification of sourcing, including building domestic capacities. The study will also take into account primary industry subsectors that support sectors with high MVA (e.g. food, electronics, and chemicals) as was done by other major Asian economies.[2]

By further using labour force survey in tandem with economic data, the proposed research addresses key knowledge gaps and policy issues related to allocating skills and production capacity into sectors with growth and employment potential. Implications can provide insights in terms of incentivizing MSMEs towards subsectors with high growth and sustainability potential, supply chain resilience, and economic diversification. It can indicate the distribution of formal and informal units/workers, areas with high or low labour productivity. Formal employment opportunities not only promote decent work, but are linked to more productive jobs. In addition to the formalization of economic units, the transition towards the formal economy can be fostered through the participation in GVCs and their diversification, and creating more local linkages between foreign and domestic investors and the local economy. Policy responses are identified to support the required shifts, including targeted MSE support and industrial linkages.

Tasks

The production of the research is expected to involve the following tasks:

1. A brief desk review of current economic and labour market developments, as well as demand conditions (domestic and export) relevant to the Philippines at the national level, identifying key challenges related to economic diversification, productive employment, potential for deepening of economic linkages between foreign and domestic investments and local suppliers, and dominant value chains that exist in the country. Conduct a mapping of existing Government and UN programmes supporting economic diversification and MSMEs.
2. Using available data sources (e.g. input-output table, product maps), a descriptive empirical assessment of selected supply chains in the Philippines, in terms of its importance in (and potential for) domestic value addition, generating productive (wage) employment, positive spillovers in ancillary industries. Additional focus group discussions and online surveys can be undertaken. Highlight challenges and opportunities for diversification and developing domestic production or service capacity.
3. Using the Labor Force Survey data, assess and compare the changes in sectors and labour market prior to the COVID-19 crisis and recent participation of skilled workers across industry

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[2] UNIDO. 2020. Country and Industry Profile, Philippines

or sectors, in order to determine the losses and shifts that had taken place. The potential to fill skills demand in growing sectors will be analysed. Workforce characteristics will be examined (by skills, sex, age, location). Particular attention will be given to vulnerable groups such as women, youth or informal workers.

4. A desk review of existing linkages and documented practices in strengthening the linkages and local content of the value chains in the country, either as part of projects, programmes or policy interventions by the government, employers or workers.

5. Based on existing knowledge from other countries, provide an assessment of the extent to which practices and strategies at the enterprise, local and national government levels, in other, similar economic contexts that have led to strengthening the linkages between investment and the local economy, are applicable in the context of Philippines, in selected sectors. This involves identification of the means by which local sourcing can also facilitate formalization of economic units or activities (e.g. enterprise registration, ability to enter contracts; labour).

6. Identify the strategies and roles that the government, employers' and workers' organizations can play in facilitating economic diversification, productive employment, skills development, MSE support and supply chain resilience, drawing from lessons learned in, among others:

    a. Identification of supply chains and sectors that are limited by foreign reliance but with prospects of diversification and development of domestic capacity and employment potential through skills development, transitions between sectors and MSE support, among others

    b. Recommendations for government, private sector and public-private partnerships to incentivize and support required transitions and linkages

7. The preliminary research report will be used as the basis for consultations with national stakeholders. Provide inputs, including powerpoint slides, in support of the planned stakeholder consultations with government, employers' and workers' organizations and other key stakeholders to validate research and identify areas of potential technical assistance in the context of the UN SEPF. Participate in consultations and revise final report based on key outcomes and findings of the consultations.

8. Provide summary statistics of the main variables used, and summarize the main results in an appropriate graphical and tabular presentation. Update the report analysis, figures and tables, if needed, following the consultations and inputs received from key stakeholders.

Time frame, deliverables and fees

The assignment goes from 2 November to 14 December 2020 and deliverables should be aligned with the timeline of the overall project.

	Deliverables	Days	Costs/day in USD	Total in USD
1	Draft annotated outline and the methodology for research report. Final version based on consultation with ILO, UNDP and UNIDO.			
2	Preliminary research report and PowerPoint presentation on economic diversification, productive employment and skills development through labour market and supply chain analysis in the Philippines developed after review of draft versions by ILO, UNDP and UNIDO.			

3	Research report and PowerPoint presentation on economic diversification, productive employment and skills development through labour market and supply chain analysis in the Philippines developed, consolidated and finalized based on stakeholder consultations and review by ILO, UNDP and UNIDO.			
TOTAL				

Deviations from these deliverables can occur according to the evolution of the assignment; however, any changes observed or anticipated should be consulted with the focal person.

Payment Terms

Payment will be made only for services that have been performed and for deliverables that are successfully completed to the satisfaction of the ILO, UNDP and UNIDO. The payments will be made according to the following schedule:

- The first payment of **USD XXX** will be made upon receipt of deliverables 1 and 2 on or before **23 November 2020** to the satisfaction of the ILO, UNDP and UNIDO and presentation of the invoice.
- The second payment of **USD XXX** will be made upon receipt of deliverable 3 on or before **7 December 2020** to the satisfaction of the ILO, UNDP and UNIDO and presentation of the invoice.

Staffing, Roles, and Reporting

The consultant or institution will provide regular updates for the work carried out to the ILO, UNDP and UNIDO Country Offices for the Philippines as well as to the Employment Specialist and the Specialist on Local Strategies for Decent Work in the ILO Decent Work Technical Support Team for East and South-East Asia and the Pacific.

Specific Clauses

Throughout the course of this assignment, the consultant or institution will report on a weekly basis to ILO, UNDP and UNIDO for coordination and follow–up. All communication to other relevant stakeholders should be coordinated with ILO, UNDP and UNIDO. If it appears necessary to modify the tasks of work or exceed the time allocated, the consultant or institution must discuss the circumstances and obtain prior written approval. ILO, UNDP and UNIDO may disclose the draft or final documents and/or any related information to any person and for any purpose they may deem appropriate

Required skills/experience

- An advanced degree in the field of labour economics, social development or related area with demonstrated expertise on value chain and employment issues.
- Relevant experience in economic and social policy development with experience in economic and labour market analysis in the Philippines.
- Excellent knowledge of statistical software for economic and labour market analysis.
- Excellent drafting and report writing skills. Ability to present information in readily understandable forms.
- Ability to communicate effectively both orally and in writing. Ability to work on own initiative as well as a member of a team. Ability to plan and organise work.

- Excellent command and proficient working ability in English.

The interested candidates must submit their short proposal with the following: i) proposed workplan, ii) proposed detailed budget, and iii) qualifications and relevant experience of consultant/s and/or institution (include CV/s as annex). The short proposal must be submitted through Ms Ma. Concepcion Sardaña, Senior Programme Officer of ILO CO-Manila at sardana@ilo.org , with copy to Ms Ma. Lourdes Macapanpan-Rivera, Senior Programme Assistant at macapanpan@ilo.org on or before 4.00 p.m. Manila time, 2 November 2020, Monday. Only shortlisted candidates will be contacted for short interviews for the final selection.

Annex
The ILO, UNDP and UNIDO will provide relevant documentation, including the public use files for the Labour Force Survey.