

## LRPS-2024-9191521 - MEASURING CHILD POVERTY IN MALAYSIA

**1. BACKGROUND/ RATIONALE**

Despite large decline in poverty rates in Malaysia in the last decades, poverty, and child poverty in particular, remains a persistent challenge. Even prior to COVID, 5.6 per cent of Malaysian households (405.4 thousand) lived in absolute poverty in Malaysia, while the poverty rate among households with children was even higher, at 8.4 per cent. Furthermore, around 47 per cent of B40 households with children are at high risk of falling into poverty.

Indeed, in 2020, because of the COVID-19 pandemic, the number of households living below the absolute poverty line rose even further to 639.8 thousand from 405,400 and the number of households living in extreme poverty tripled to 78,000 from 27,200 before the pandemic. In 2022, The poverty rate has stabilized to about 6.2 per cent equivalent to about 490,400 households. However, deprivations among selected groups of the population such as women heads of households, children, disabled persons, indigenous community, and non-citizens **are much higher** when compared to those of the average Malaysian citizens.

Poverty may be considered as a violation of child's rights, such as by depriving them of their right to an adequate standard of living and to be free from deprivations across crucial aspects of their lives, including their health, education, nutrition, climate risks, care, and social protection. As reported by the National Health and Morbidity survey in 2022, one in 5 children under the age of 5 experienced stunting and one in 10 children under the age of 5 experienced wasting.

Child poverty may also have broader impacts on societies and economies: poverty is felt immediately by children themselves, but it also represents a loss of growth potential that Malaysia's aging society cannot afford. People who have experienced poverty as children are at higher risk to become unemployed, poor, and excluded during their adult lives. Research confirms that poverty and deprivation in childhood have both short- and long-term effects, causing an intergenerational cycle of disadvantage.

Earlier in 2017, UNICEF's 'Children Without' report highlighted the situation of children who live in low-cost flats, right in the heart of the cities. Despite the National Poverty Rate being less than one percent at the time, the study found that pockets of poverty that remains and children in these flats experienced the various effects of multi-dimensional poverty from malnutrition to reduced access to education.

In 2020, UNICEF embarked on a 4-part report (Families on the Edge) to highlight how the families from the 2017 survey were coping with Movement Control brought about by the COVID pandemic and any changes to their already challenging situations in 2017. In 2022 and 2023, UNICEF commissioned a similar study in Penang and extended the Families on the Edge to explore how the COVID-19 pandemic and the increased cost of living impacts low-income households, shedding light on high levels of vulnerability among children, women Head of Households and others.

While Malaysia does not collect data on child poverty, rich information is collected through the Household Income and Expenditure Survey (HIES) and approximations for a monetary indicator can be calculated in terms of percentage of poor households with children.

Other measures would also include non-monetary or material deprivation analysis, which will cover dimension such as **nutrition, water, sanitation, clothing, housing, education, health, information, and play** (UNICEF, 2021). More advance economies have an additional step to derive an aggregated estimate of count of children deprived across these dimensions or commonly referred to as Multiple Overlapping Deprivation Analysis (MODA). The methodology allows for the identification of children suffering in varying dimensions and aggregating these dimensions across different thresholds / weights to develop a comprehensive indicator for child-poverty.

The existence of detailed studies carried out by UNICEF together with solid secondary data on income and expenditure provides an opportunity to undertake a deep analysis of the situation of child poverty in Malaysia, especially since the revision of the poverty line income in 2019. Such a study will be able to guide policies and programmes in tackling child poverty, its causes, and consequences. It can also point to additional sources of data that might be required to be collected in the future to better understand the dimensions of poverty and deprivations.

## 2. OBJECTIVES

The main objective of the study is to provide an updated and in-depth analysis of child poverty in Malaysia based on existing data, and to assess the adequacy, sufficiency and relevance of existing policies and programmes aimed at reducing child poverty. The study should provide a comprehensive, evidence-based, analysis of the underlying causes and factors for poverty and social exclusion among children. The analysis would include estimating rates of children living in poor households over time using HIES and using the existing datasets to explore characteristics and patterns of poverty observed over time. With these individualized datasets, the study would also dive into understanding poverty dynamics in Malaysia, type of households with children more/less likely to be poor over time, as well as persistence and inequalities in child poverty.

- The objective would also include the following:
  - i. Establishing monetary poverty measure for children in Malaysia using HIES data
  - ii. Proposing a standard measurement to be added into the HIES analysis so the figure is reported and followed over time as part of the HIES publications.
  - iii. Extending beyond monetary poverty and exploring non-monetary poverty (deprivations) that can be identified through other national data sources such as the National Health and Morbidity Survey, and Basic Amenities Survey
  - iv. Using existing studies that focus on child poverty, including those carried out in KL, Penang, Sarawak, and Sabah to complement the analysis coming from HIES data.
  - v. Demonstrating potential data gaps in fragmented existing surveys conducted by government to derive a comprehensive child poverty indicator.
- The study will also analyse the ways in which national and/or subnational policies, programmes, systems, processes, budgets, and mechanisms have either contributed to or detracted from the success of efforts to address child poverty and social exclusion. To the extent possible based on data availability, the study should analyse the effectiveness of social protection benefits in reducing child poverty.

- Finally, the study will also provide recommendations on tangible actions/programmes/policies that can be adopted to eradicate child poverty.

### Alignment with Government-UNICEF Country Program Document (CPD)

To achieve Outcome 1 in the CPD, the Child Poverty Study is a key activity in **generating evidence by analyzing many of child deprivation indicators** in Malaysia. This is in line with **Para 21** in the CPD, which specifies that, “*UNICEF will work across government ministries to support the development of social policies, plans, budgets, and institutional reforms that reduce socioeconomic disparities and promote social inclusion. In collaboration with development partners, UNICEF will provide multisectoral social policy support to: (a) strengthen evidence-based policymaking; (b) strengthen the monitoring and evaluation system in Malaysia to track implementation of the Twelfth Malaysia Plan 2021–2025 and the Sustainable Development Goals;...*”

### Alignment with Government -UNICEF Multi-Year Rolling Work Plan (MYRWP) 2023-2025

The overall study falls under Outcome 1, Output 1.1, **Activity 1.5 in the MYRWP** – “Analysis of child poverty with secondary data and mapping of public policy responses to the identified dimensions of poverty.”

- **Outcome 1:** By 2025, children, especially the most vulnerable, have more equitable utilization of quality nutrition, education and social protection systems and are empowered to address issues that impact their mental health and psychosocial wellbeing.
- **Output 1.1:** Social Policy. By 2025, national capacities are strengthened to develop evidence informed laws, policies, plans, budgets, and institutional reforms that reduce gender inequality, socio-economic disparities and promote social inclusion.

The study is expected to start before Q3 2024 and to be completed in Q1 2025. Child Well-being, Equity, and Inclusion. Once the analysis is finalized, dissemination and engagement with key stakeholders to share findings but also refine recommendations will need to take place.

### 3. SCOPE OF WORK

The proposed study aims to use existing data from government sources and available publications from UNICEF, Universities, Think Tanks, and others on child poverty (monetary and non-monetary) and does not expect primary data to be collected. UNICEF will provide data and findings for the studies it has commissioned in the past. The scope will include measuring approximating child poverty from existing data bases and analysing through descriptive and correlation analysis (as a minimum) across varying dimensions of deprivation including education, health, and nutrition, as guided by the Convention of Rights of the Child (CRC) and as agreed through consultation with the Ministry of Economy and key stakeholders.

As much as possible from the data availability, analysis should also be disaggregated by gender, ability/disability, geographic location (state and urban/rural) and race. Depending on

data availability, the individual child monetary consumption poverty should be cross tabulated with individual multidimensional child poverty. The study would also include an analysis of macroeconomic tendency in Malaysia and its correlation with poverty (and the proxy to child poverty) and explore additional issues such as pro-poor growth, persistent poverty, and inequality. Using experience from similar countries can be used to aid this analysis.

#### 4. DELIVERABLES

- i. **Inception report:** Maximum 50 pages, laying out the methodology for approximating child poverty (monetary and non-monetary), consultation and engagement with stakeholders, data analysis strategy and framework, confirmation of data availability, timeline, and dissemination strategy. It should also translate the objectives into specific research questions that can guide the analysis.
- ii. **Preliminary findings presentation:** Before writing the report, a preliminary findings presentation will be prepared where the findings for the analysis are presented and discussed.
- iii. **Draft final report:** Ideally 40 maximum 50 pages for review.
- iv. **Final report:** Ideally 40, maximum 50 pages (without annexes) with executive summary in English and Malay.
- v. **Technical measurement annex:** The final report will include a technical measurement annex that will thoroughly detail measurement steps, so that the child poverty indicator can easily be estimated and replicated.
- vi. **Dissemination materials:** PPT (for roundtable discussions and stakeholder engagement), infographic summary.

All deliverables will be presented and discuss with UNICEF, Ministry of Economy, key Ministries and Agencies. The deliverables will also be presented to the Technical Committee and Steering Committee set up for this study.

#### 5. DESIRED QUALIFICATIONS, SPECIALIZED KNOWLEDGE OR EXPERIENCE

- Minimum master's degree in economics, Social Science or similar
- At least 10 years' experience leading socio-economic analysis in Malaysia, including with a focus on children.
- Specific experience researching and analysing child poverty (multi-dimensional or monetary) in Malaysia is preferred.
- Strong quantitative and qualitative data analysis skills required for macro and microeconomic and household data.
- Experience in disseminating and engaging relevant stakeholders is desired.

#### 6. DURATION OF CONTRACT

Five Months.

#### 7. TRAVEL REQUIREMENTS

No travel required.

#### 8. GUIDELINES ON PROPOSALS SUBMISSION

##### **TECHNICAL PROPOSAL**

Technical proposal should be prepared according to the following specifications:

- Initial approach on how the available data will be utilized to approximate child poverty and respond to the objectives of the study, including triangulation of existing data sources as well as analysis of national data (HIES and others proposed by the consultant)
- Initial approach to data analysis and how it responds to the objectives
- Initial approach to dissemination
- Ethical considerations
- Risks and limitations with how to address these
- **Confirmed timeline**
- **Workplan:** Proposal should include a proposed timeline that is realistic and can be committed to by the consultant.
- **Team members:** including CV and accompanying documents that proof expertise where available.
- **Organizational capacity** to undertake the assignment should also be provided.

*The Technical Proposal shall also include a clear breakdown detailing the types of resources/ roles proposed and the number of days required based upon the requirements and work methodology proposed.*

**Note:** No financial information should be included in the technical proposal

### **FINANCIAL PROPOSAL**

Financial proposal should be prepared according to the followings:

1. The currency of the Proposal shall be in **Ringgit Malaysia (MYR)**. UNICEF will reject any proposals submitted in another currency.
2. Based on requirements in the Terms of Reference, proposer(s) are expected to submit the financial proposal based on the derivation of resources type and man-days effort as recommended in the Technical Proposal. The pricing tabulation shall be clearly itemized and inclusive of all fees incurred (e.g., service tax, if applicable) as per the following:

#### **For Service Requisition:**

Name	Resource Type	Rate per Hour/ Day (MYR)	Hours/ Days Required	Total (MYR)
<b>SST (6%) – if applicable</b>				
<b>Total (Inclusive of tax)</b>				

This proposal shall also include payment schedule linked to clearly defined milestones as per recommended in the Technical Proposal.

## 9. PROPOSED PAYMENT SCHEDULE

The Payment upon completion & acceptance of specific milestones/ deliverables.

- 20% upon completion of deliverable 1
- 20% upon completion of deliverable 2
- 20% upon completion of deliverable 3
- 20% upon completion of deliverable 4 and 5
- 20% upon completion of deliverable 6

## 10. EVALUATION OF PROPOSALS

In making the final decision, UNICEF considers both technical and financial aspects. The evaluation team first reviews the technical aspect (including by reference to its legal requirements (General Terms and Conditions and other relevant provisional terms) of the offer followed by the review of the financial offer of the technically compliant proposer(s). 70 points will be awarded according to the quality of the technical proposal while 30 points will be awarded for the price component. In making the final decision, UNICEF considers both technical and financial aspects. UNICEF will award the contract to the proposer(s) that provides the best value-for-money offering.

### **TECHNICAL PROPOSAL**

The technical proposal should address all aspects and criteria outlined in this Terms of Reference. The proposals will be evaluated against the following:

Criteria for Selection	Points Allocated
All technical criteria mentioned in section 2, section 4, and section 8 are touched upon with enough detail and quality	30
Team members have the experience as per requirements in section 5	30
Timeline presented is reasonable	5
Organization/firm has adequate capacity to undertake the assignment in a satisfactory manner	5

Only proposers that score at least 50 points of total Technical Evaluation points shall proceed to Financial Evaluation stage. Financial proposals from proposer(s) that do not meet the minimum technical threshold will not be opened.

### **FINANCIAL PROPOSAL**

The financial proposals will be evaluated against the following:

The maximum number of points will be allotted to the lowest price proposal that is opened and compared amongst the proposers that obtained the threshold points in the

evaluation of the technical component. All other price proposals will receive points in inverse proportion to the lowest price, e.g.:

Score for price proposal X =  $\frac{\text{Max. score for price proposal X}}{\text{price of lowest priced proposal}}$

Price of proposal X

#### **11. CONTRACT MANAGEMENT**

Farqani Mohd Noor, Social Policy Specialist, UNICEF Malaysia will manage the contract.

#### **12. UNICEF RECOURSE IN CASE OF UNSATISFACTORY PERFORMANCE**

In the case of unsatisfactory performance, this would be highlighted in the progress meeting and the contractor must ensure steps would be taken to improve productivity. Continuance of the unsatisfactory performance may result in with-holding of payments until quality deliverables are met. If the contractor is unable to complete the assignment, the contract will be terminated by notification letter sent 30 days prior to the termination date.

#### **13. CONDITIONS AND ADMINISTRATIVE ISSUES**

- a. The contractor shall utilize his own resources, materials, and facilities, including but not limited to its own computer(s) in the execution of work. The contractor's fee shall therefore be inclusive of all office administrative costs.
- b. The contractor's focal point appointed to manage the work required shall be reachable during office hours.
- c. All persons engaged under UNICEF institutional contract shall be subject to the UN Supplier Code of Conduct: <https://www.ungm.org/Public/CodeOfConduct>