KEY POINTS

- The Pantawid Pamilya conditional cash transfer program reached more than 4.4 million poor families in 2014.
- Rigorous impact evaluation in 2012 and 2014 confirms that Pantawid Pamilya improves access to health services, keeps children in school, reduces child labor, and does not encourage dependency.
- The Listahanan poverty targeting system is among the best in the world and ensures that benefits reach the poorest.
- ADB’s Social Protection Support Project supports grants to nearly 640,000 poor households in selected areas.
- Policy and operational challenges include adjusting the benefit levels to account for inflation, and ensuring sufficient and high quality education and health services.

SOCIAL PROTECTION BRIEF

The Social Protection Support Project in the Philippines

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PIONEERING POLICY REFORMS FOR POVERTY REDUCTION

Despite accelerating economic growth in the mid-2000s, poverty incidence in the Philippines remained stubbornly high and even increased during some periods. One of the key causes of poverty was chronic underinvestment in human capital, especially health and education. As a result, the Philippines lagged in meeting the Millennium Development Goal targets for universal primary education, maternal mortality, and access to reproductive health services.

Past government efforts to address poverty and improve human development were compromised by low spending in the social sectors (particularly in social protection), weak poverty targeting systems, and a lack of policy and institutional coordination, with several departments undertaking uncoordinated and sometimes ineffective programs. To respond to these challenges, the government set out to strengthen its social protection system.

The reform agenda, championed by the Department of Social Welfare and Development (DSWD), included piloting and expanding a conditional cash transfer (CCT) program; improving poverty targeting; improving monitoring and evaluation; and securing adequate and predictable social protection financing by consolidating programs and gradually expanding the budget. The CCT program became the cornerstone of social protection reforms.

The Pantawid Pamilyang Pilipino Program (Bridging Program for the Filipino Family) provides cash grants to poor households based on their fulfillment of health and education related conditions. From a small pilot with 6,000 families in 2007, the program grew first slowly and then very rapidly to cover 4.46 million families as of the end of 2014,
or about 21% of the total population. Of the 63 countries that have a CCT program, Pantawid is among the largest. The Pantawid budget of PHP 62.6 billion in 2014 was 0.5% of GDP, up from 0.1% in 2010.

The Pantawid cash grants help poor and vulnerable families make ends meet, but the real poverty reduction gains are expected in the future, when healthier and more educated children finish school and join the work force. CCTs are a form of results-based financing that aim to prevent the transmission of poverty from parents to their children. The cash helps cover the direct and indirect costs of accessing health care and schooling. It also reduces the incentive to take children out of school so that they can work to supplement the family’s income. The Philippines’ CCT program uniquely requires parents to attend monthly family development sessions as one of the core conditions. These sessions focus on a wide range of topics including responsible parenthood, health and nutrition, education, active citizenship, disaster preparedness, and more.

**WHAT DO FAMILIES HAVE TO DO TO GET THE GRANTS?**

The Pantawid Pamilya conditions are:

- Pregnant women must have pre- and post-natal checkups, and births should be in a health facility or attended by a trained health professional
- 0–5 year old children must receive regular health check-ups and vaccines
- Elementary school children must receive deworming pills twice per year
- Children 3–5 must enroll in a day care program or kindergarten and maintain an 85% attendance rate
- Children 6 to 18 must enroll in elementary or secondary school and maintain an 85% attendance rate
- Parents must attend monthly family development sessions

**HOW MUCH DO FAMILIES RECEIVE?**

Households can receive PHP 500 per month for complying with the health conditions (which includes the family development sessions). For education, each child in day care or elementary receives PHP 300 per month and each child in high school receives PHP 500 per month. A maximum of 3 children per household may receive the education grant for 10 months of the school year. The maximum grant would be up to PHP 2,000 per month for a family with 3 children regularly attending high school but average grants are much lower in practice, since family composition varies and not all households meet all the conditions every month. Households actually received an average of about PHP 8,300 per year in 2013, equivalent to about $16 per month.

**PROJECT DESIGN, COVERAGE, AND IMPLEMENTATION**

ADB approved the Social Protection Support Project in 2010.\(^1\) The expected impact is reduced income poverty and non-income poverty. The expected outcome is increased consumption and increased utilization of education and health services among Pantawid families, especially women and children. The four outputs support an efficient national targeting system to select poor households, conditional health and education grants, better capacity for CCT operations, and improved systems for monitoring and evaluation.

The original design aimed to support Pantawid operations and to partially finance grants to about 582,000 households in 436 municipalities and 37 cities in 53 provinces. In 2014 the coverage was expanded to 517 municipalities and 53 cities in 70 provinces. As of the end of 2014, ADB financing supported about 637,300 poor households. The project also supports the national social protection reform agenda through technical assistance.

Guided by a high level national advisory committee, DSWD’s national program management office and 17 regional offices are responsible for implementing Pantawid. About 12,000 field facilitators (called municipal and city links), work with the participating households, which are organized into parent groups coordinated by parent leaders. Local government units have each designated at least one full-time staff to support Pantawid. Various management information systems support program implementation including community registration, compliance verification, beneficiary update, and grievance redress systems. The project includes regular spot checks of implementation undertaken by an independent research institute, and the Commission on Audit conducts regular and detailed audits of Pantawid. Multiple rounds of rigorous and nationally representative impact evaluation have involved cooperation between DSWD and ADB, Australia, the World Bank, the Philippine Institute for Development Studies, and other impact evaluation technical working group members.

**ARE THE CCTS WORKING?**

Most of the project’s output indicators have been met or exceeded and the outcome of increased consumption and utilization of education and health services is expected to be achieved. Rigorous impact evaluation findings include that Pantawid improves children’s access to health services, keeps children in school, and reduces child labor.\(^2\) Other important findings are that Pantawid does not encourage dependency (adults continue to seek work) and that Pantawid parents are more optimistic about their children’s future than non-Pantawid parents. Self-rated poverty among

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2. Impact evaluation reports are available at www.dswd.gov.ph
families near the poverty line is 7 percentage points lower among Pantawid families than non-Pantawid families. Pantawid’s targeting accuracy to the poorest families is considered among the best in the world. The Listahanan database of poor families is being updated in 2015.

WHAT MORE CAN BE DONE?

- Benefit levels have not changed since DSWD designed the program in 2006. The value of the cash grants has eroded significantly in real terms, and has declined as a share of poor households’ average income. Policy dialogue is underway on adjusting the grants for inflation in 2016.
- Public perception can be influenced by negative media coverage claiming Pantawid is a ‘dole-out’ that causes dependency, despite strong evidence to the contrary. Payments are made only once compliance is verified, compliance rates are very high, and people are not quitting jobs because they receive grants. Promoting a better understanding of the impact evaluation evidence can counter such claims.
- More public outreach can also help to clarify that the recent slight increase in the national poverty incidence is not an indicator that the CCT is not working. The poverty incidence may have been worse without the CCTs given the impact of catastrophic natural disasters and food price inflation in 2013. The reduction of poverty and inequality are long-term impacts that can only be expected when healthier and more educated Pantawid children grow up to join the workforce and get better jobs. The grant alone is not enough to bring many families over the poverty line, though it does reduce the income gap.
- There are challenges in ensuring enough schools, full immunization and deworming, and pre- and post-natal care and delivery in health facilities. Some of these challenges are related to the supply of education and health services that are beyond Pantawid’s control, while others may be a result of families not fully appreciating the importance of particular conditions. This calls for more active coordination with the Departments of Education and Health, and for strengthening the family development sessions to reinforce the importance of the health and education conditions.

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