

SUMMARY OF PROJECT PERFORMANCE

I. BACKGROUND

1. The Asian Development Bank (ADB) approved the \$400 million Social Protection Support Project (SPSP) in the Philippines on 2 September 2010.¹ The SPSP was to help the government deliver its social protection agenda by supporting the *Pantawid Pamilyang Pilipino* (Building Bridges for the Filipino Family) Program (Pantawid, formerly known as the 4Ps). Pantawid Pamilya provides conditional cash transfers (CCTs) to eligible beneficiaries identified by the government's national household targeting system for poverty reduction (Listahanan). The project became effective on 12 January 2011 and will close on 31 March 2016. The expected impact will be a reduction in both income and non-income poverty. The intended outcome is increased consumption and use of education and health services by poor households and women beneficiaries of the Pantawid. The four outputs are (i) efficient implementation of the Listahanan in selecting poor households, (ii) the provision of conditional health and education grants to poor households, (iii) strengthening of government capacity for CCT program operations, and (iv) improvement of the systems for monitoring and evaluating the country's social protection programs.

2. A minor change in scope approved in February 2014 expanded the geographic coverage of grants to include more cities and municipalities in the project provinces. It also added a force majeure provision to allow the SPSP to finance cash grants after Typhoon Yolanda struck the country in November 2013 and during any future disasters. The Department of Social Welfare and Development (DSWD) is the executing agency. Guided by a national advisory committee, the DSWD's national program management office and 17 regional project management offices are responsible for implementation. At the end of 2014, Pantawid had almost 12,000 staff members, most of whom were field facilitators working directly with the 4.4 million beneficiary households. Based on the criteria in ADB's operations manual, the project is performing well.² It is delivering the expected outputs. Implementation progress and compliance with safeguard policy requirements has been satisfactory. Risks have been managed, and the project is rated *on track*. Paras. 3–11 provide the details of the SPSP's performance.

II. PROJECT PERFORMANCE

A. Delivery of Expected Outputs

3. Most of the targets in the project's design and monitoring framework (DMF) have been met or exceeded, in some cases significantly, and the SPSP is on track to achieve the intended outcome.³

4. **Output 1: Efficient implementation of a national targeting system to select poor households.** Activities under output 1 support the use of the Listahanan proxy means test as the standard mechanism for identifying households eligible for Pantawid and other programs

¹ ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Loan, Technical Assistance Grant, and Administration of Technical Assistance Grant to the Republic of the Philippines for the Social Protection Support Project*. Manila.

² ADB. 2011. *Classification and Graduation of Developing Member Countries*. Operations Manual. OM H5/BP. Manila.

³ All data in this section are from the aide memoire of the most recent review mission (November 2014).

targeting the poor.⁴ Pantawid's poverty targeting accuracy to the poorest 40% of the population compares very favorably to the more established large-scale CCT programs in Latin America.⁵ Progress towards achieving the performance targets for the four output 1 indicators in the DMF has been good, since all but one have been significantly exceeded.

5. The first target of registering 20% of poor households nationwide in the Listahanan has been significantly exceeded. As of 2011, all poor households nationwide had been included. The Listahanan assessed 10.9 million households, and 5.2 million were found to be poor. The national poverty headcount ratio in 2012 was 19.7%, or 4.2 million families. The target to achieve a less than 8% exclusion error and 20% inclusion error has been partly achieved. The exclusion error in the National Capital Region (NCR) remains a challenge. The new proxy means test model estimates an exclusion error of 19.3% and an inclusion error of 10.6% in the NCR. Outside the NCR, the estimates are 6.8% for the exclusion error and 13.8% for the inclusion error.

6. The target of at least three national programs using Listahanan as their targeting mechanism has been exceeded. In the first quarter of 2015, at least 14 national social programs across eight government agencies were using the system. The project has also exceeded the DMF target of at least 60% of poor households registered in the database receiving benefits from social protection programs. As of the end of 2014, 4.4 million poor households (or 85% of households registered in the database) were receiving cash transfers, and all Pantawid beneficiaries were being automatically enrolled in the sponsored health insurance program for the poor under the Philippine Health Insurance Corporation (PhilHealth). This means that 85% of poor households registered in the database had access to benefits from at least two social protection programs.

7. **Output 2. Conditional health and education grants provided to poor households.** The project partially finances Pantawid cash grants to households, funding 25% of the grants to those added in 2009 (set 2) and 95% of the grants to those added in 2010 (set 3). The Pantawid compliance verification system confirms compliance with conditionality before transfers are paid to mothers every 2 months. The health benefit is a fixed P500 per month per family. The education benefit is P300 per month per child in pre-school or elementary school and P500 per month each for children in high school. Progress toward the six DMF targets for this output has been excellent, with five exceeded as of the end of 2014.

8. The first target was to provide grants to at least 580,000 poor households, in which at least 90% of grant recipients were women. As of the end of 2014, a total of 637,716 poor households in sets 2 and 3 were receiving ADB-financed grants, and grant recipients were women in 92% of registered households. The project aimed to ensure that at least 80.0% of female grantees in beneficiary households received CCT grants regularly and on time. The average was 95.3%. The DMF target to have at least 80.0% of households meet education conditions regularly was also exceeded as of the end of 2014: the compliance rate was 97.7%. About 87.9% of set 2 and 3 households were meeting health conditions regularly, beating the target of 80.0%. About 94.8% of sets 2 and 3 grantees attend monthly family development sessions, compared with the 80.0% target in the DMF. Progress was also made on achieving the sixth output 2 target of producing local area maps showing distribution of target households,

⁴ Although referred to as the national household targeting system for poverty reduction (NHTS-PR) in the report and recommendation of the President and other documentation for the SPSP, the government branded the system as *Listahanan* in 2013.

⁵ World Bank. 2015. *State of Social Safety Nets 2015*. Washington DC.

health facilities, preschools and/or day care centers, schools, and payment windows. Interactive maps showing the Pantawid beneficiaries are available on DSWD's website. These are being further developed to include data for the three big DSWD programs from 2012 to the present.

9. Output 3: Strengthened capacity for conditional cash transfer program operations.

The project aims to provide capacity development and other support for all of the core national and local management activities of Pantawid, including household registration, compliance verification, payment management, organization of assemblies of grantees, and strengthening the gender mainstreaming and indigenous people's aspects of the program. Three targets have been achieved, and one is ongoing. Central and local project management structures were established with a national project management office and 17 regional project monitoring offices, and all are fully functional. By the end of 2013, at least 200 central and local staff members were to acquire knowledge on gender analysis, indigenous people sensitivity, and prevention of sexual harassment. This has been significantly exceeded, with 4,645 staff trained on gender sensitivity and the prevention of harassment, and 1,470 staff trained on indigenous people sensitivity. The gender action plan has been implemented throughout the project, and continues to be implemented in a satisfactory manner. Finally, the 2013 target of participatory gender audits and community-driven municipality gender action plans piloted in 10 municipalities was achieved with some delays caused by Typhoon Haiyan. Ten pilots were completed at the end of 2014.

10. Output 4: Improved systems for monitoring and evaluation of social protection programs.

The project has been supporting (i) the DSWD's management information systems to track Pantawid operations; (ii) monitoring and evaluation, which includes spot checks to monitor program implementation, evaluate its impact, and undertake qualitative studies; and (iii) regular monitoring and reporting, including quarterly financial monitoring, biannual and annual reviews, and internal audits. The SPSP also supports the Pantawid grievance redress system for resolving complaints related to targeting errors, payment irregularities, fraud, or other issues. Progress toward the four output indicators is on track.

11. The first target is that a management information system (MIS) is established and functioning to support payments, verification, updates, and grievance system. This has been achieved. Systems are in place for household registration, beneficiary updates, compliance verification, payments, and grievance redress. The target that 90% of grievances received are resolved within established time protocol is also on track. By the end of 2014, 96% of the 69,744 grievances resolved were resolved within the prescribed time period. A large proportion of grievances received are actually related to households wishing to be included, so are not technically grievances with the program. The third target is to implement at least two rounds of independent spot checks of schools, clinics, municipal links, and beneficiary households completed in each of 2012, 2013, and 2014, with at least 1 further round in 2015. This target is on track with some delays. Spot checks A and B were completed in 2013, C and D were completed in 2014, and E and F will be completed in 2015. A final spot check, G, is due by early 2016. The final target is for DSWD to deliver a final impact evaluation report by 2016 based on a third wave impact evaluation survey in late 2015. This is also on track, with the recruitment of a data collection survey firm underway in September 2015.

B. Satisfactory Implementation Progress

12. As of 11 December 2015, cumulative contract awards were \$387.7 million (or 96.9%), and disbursements were at \$382.1 million (or 95.5%), against an elapsed loan period of 94.6%.

C. Satisfactory Compliance with Safeguard Policy Requirements

13. The project is fully in compliance with safeguard policies. The project was categorized B for indigenous people and C for resettlement and environment. The project's indigenous people's plan, implemented by a dedicated unit of DSWD, integrates the needs and interests of indigenous people into each of the project output activities and has ensured effective participation and access to project benefits, particularly through the development and expansion of a modified CCT for indigenous people. About 14% of Pantawid beneficiaries are from indigenous cultural communities. Some of the targets in the plan have proven to be challenging to meet, such as ensuring that 12% of Pantawid's field facilitators are themselves from indigenous cultural communities.

D. Successful Management of Risks

14. The project has managed or mitigated the eight risks identified during processing. These risks were that (i) cash transfers would be a disincentive to work, (ii) transitory movements out of poverty would not be captured by the targeting system, (iii) payment windows would be geographically inaccessible, (iv) implementation capacity would be lacking, (v) there would be political interference in compliance verification, (vi) finding control sites for impact evaluation would be difficult, (vii) political interference would occur and affect the grievance redress system, and (viii) social services would be of poor quality. Impact evaluation evidence confirms that the cash transfers are not a disincentive to work. The new round of household targeting will identify the near-poor to capture transitory movements in and out of poverty. Alternative payment mechanisms have been introduced in remote areas. The project and technical assistance have supported implementation capacity. DSWD has implemented successful information campaigns to prevent political interference. The second and third rounds of impact evaluation are using a methodology that does not require a pure control group. The quality of social services remains a supply-side challenge that is beyond the control of the project, since the supply of services is managed by the departments of education and health. However, DSWD coordinates closely with its partners on supply-side issues through the National Advisory Committee. Overall, however, successful implementation of the project has not been threatened.

E. On-Track Rating

15. The project performance rating has been consistently on track since 2012.

III. CONCLUSION

16. CCTs are an effective social protection intervention to mitigate present poverty while building the human capital of the country's children to reduce future poverty. The results of rigorous impact evaluation confirm that Pantawid is keeping children healthy and in school. The project is performing well and is on track to achieve the intended outcome of increased household consumption and increased use of education and health services by poor households and by women benefiting from Pantawid. The project is on track to meet the outcome targets of at least a 10% increase in average per capita consumption; at least 90% attendance by boys and girls at school; at least 70% of pregnant women delivering babies in a health facility; and at least 80% of births delivered by skilled health personnel. The two more challenging indicators involve the proportion of children fully immunized by their first birthday (a supply-side issue), and a decline in the incidence of child labor. However, looking only at incidence ignores an important program impact on the reduction of child labor. While there is no

statistically significant difference between Pantawid and non-Pantawid children in terms of the incidence of child labor (the proportion of children who work), Pantawid children work on average 7 fewer days than non-Pantawid children.