

PHILIPPINES: TARGETING DIFFERENT VULNERABLE SEGMENTS FOR EMERGENCY CASH ASSISTANCE IN RESPONSE TO COVID-19

1. With the rapid spread of the coronavirus disease (COVID-19) epidemic across the Philippines since end February 2020, and the progressive community quarantine of the National Capital Region (NCR) and nearby regions starting mid-March 2020, there will be severe long-term impact on the poor and the vulnerable segments. Local government units (LGUs) in different parts of the country are also beginning to impose community quarantine measures that restrict the movement and social interaction of the population.¹ The Philippine Statistics Authority (PSA) has identified close to 18 million poor in the whole country, who will need emergency assistance in the form of cash and/or food.² The Department of Social Welfare and Development (DSWD) has identified around 6.45 million poor and vulnerable households and 2.9 million indigent senior citizens, who are currently beneficiaries of its unconditional cash transfer programs, based on different targeting protocols (Table 1). In addition, it has initially identified about 7.7 million informal sector workers and daily wage earners as being vulnerable due to loss of income from the community quarantine.³

Table 1: Identifying the Poor and Vulnerable

Poor and vulnerable segments	Estimated numbers	Targeting protocol used	Government program providing support
1. Poor households with children less than 18 years old and / or pregnant women covered under the <i>Pantawid Pamilyang Pilipino</i> Program (4Ps)	4.3 million households	<i>Listahanan 1</i> (2009) <i>Listahanan 2</i> (2015) <i>Listahanan 3</i> (2019); survey, data encoding, and validation not yet complete)	DSWD's 4Ps and Philhealth
2. Poor households without any children or with children older than 18 years (i.e. poor households which are not included under the 4Ps)	2.2 million households	<i>Listahanan 1</i> (2009) <i>Listahanan 2</i> (2015)	DSWD's unconditional emergency cash assistance program where household beneficiaries have received a monthly cash grant of 200 pesos in 2018 and 300 pesos in 2019 and 2020, to protect them from the inflationary effects of the Tax Reform for Acceleration and Inclusion (TRAIN) Act or the Republic Act No. 10963 passed in Dec 2017. The transfers were implemented in 2018 and will be continued till 2020
3. Indigent senior citizens	2.9 million beneficiaries	Local Government Units and local social welfare and development offices (with age 77 and above in 2011–2014, 65 and above in 2015, and 60 and above in 2016).	DSWD's Social Pension for Indigent Senior Citizens program provide 500 pesos per month since 2011.

¹ Government of the Philippines, Office of the President. 2020. Community Quarantine over the Entire Luzon and Further Guidelines for the Management of the coronavirus disease 2019 (COVID-19) Situation. Memorandum.16 March.

² Philippine Statistics Authority (PSA). 2019. 2018 estimates of the magnitude of the poor in terms of individuals. Manila.

³ PIDS notes that huge “unprotected” informal sector in the Philippines. Labor Force Survey estimates about 15.6 million informal workers, or 38% of the country's total working population. <https://pids.gov.ph/pids-in-the-news/2418>.

Poor and vulnerable segments	Estimated numbers	Targeting protocol used	Government program providing support
4. Informal sector workers and daily wage earners ^a	7.7 million people in vulnerable employment	DSWD estimate.	Programs from LGUs, DOLE and DTI

4Ps = Pantawid Pamilyang Pilipino Program, DOLE = Department of Labor and Employment, DTI = Department of Trade and Industry, DSWD = Department of Social Welfare and Development, Listahanan = List of poor based on the household targeting system, Philhealth = Philippine Health Insurance Program.

^a The estimate is approximately 60% of total informal workers and daily wage earners who are most likely not receiving any benefits from social assistance programs.

2. On 24 March 2020, the Philippine Congress passed Republic Act 11649 or “An Act Declaring the Existence of a National Emergency Arising from the coronavirus disease 2019 (COVID-19), otherwise known as the “Bayanihan Heal as One Act”.⁴ The law empowers the government, among others, to:

- (i) Provide an **emergency subsidy** of between P5,000 to P8,000 (\$98 to \$158) per month to around 18 million low income beneficiaries month for two months: and
- (ii) Implement an **expanded and enhanced Pantawid Pamilyang Pilipino Program (4Ps)**, responsive to the need posed by the crisis, and provision of cash assistance program, through the LGUs or directly to identified households, including those working in the informal economy and who are not currently recipients of the current 4Ps.

3. The law also empowers the President of the Philippines **to augment resources and budgetary allocations** for programs that provide support to the poor and most affected population.

4. Consistent with the law, the government has launched a Social Amelioration Program (SAP). Under the leadership of the Office of the President, the SAP will be implemented by DSWD and other line agencies, in close coordination with the LGUs that will assist in identifying the poorest and most vulnerable segments of the population. Together they will provide cash or in-kind support equivalent to the established amounts for two months.

A. Mapping the vulnerable segments / relevant data sources

5. DSWD’s guidelines during emergencies and disasters provides for Emergency Cash Assistance (ECA) to the affected population. Under the guidelines,⁵ poor households identified by the national household targeting for poverty reduction (NHTS-PR) or known as *Listahanan*, primarily 4Ps beneficiaries, shall be prioritized for the ECA. In cases where there are households not included in the 4Ps operation or in the *Listahanan* 1 and 2, the guidelines allow for their inclusion, particularly:

- Families residing in easily isolated or in Geographically Isolated Disaster Areas
- Families with Persons with Disabilities, elderly, children, and pregnant or lactating women

⁴ Congress of the Philippines. Eighteenth Congress. First Special session. Republic Act 11469. <https://www.officialgazette.gov.ph/downloads/2020/03mar/20200324-RA-11469-RRD.pdf>.

⁵ DSWD. 2019. Guidelines in the Implementation of the Emergency Cash Assistance (ECA) During Disasters. Memorandum Circular 17. 30 August.

- Orphaned children
- Families with deceased family members as a result of the disaster
- Families with damaged houses
- Families which, due to the damage they sustained, became transitional or “new poor” and are not able to provide for their own requirements especially during the relief phase

6. DSWD validates individuals and families identified by and in close coordination with the LGUs.⁶ The cash assistance will be delivered either thru DSWD’s servicing banks, money transfer facilities, or non-bank financial service partners with existing access to or operations in disaster-affected areas through direct cash payout by DSWD personnel designated as Special Disbursing Officers.

7. To ensure that the proposed ADB emergency assistance reaches all the needy segments, it is necessary to create a master list of beneficiaries drawing on existing and credible government targeting system, data sources, with established protocols.

8. **Listahanan 3, 2 and 1.** In order to update the list of 4Ps households (currently based on the Listahanan 1 conducted in 2009), the National Household Targeting Office (NHTO) of DSWD initiated the *Listahanan 3* surveys in October 2019. This exercise is the most up-to-date basis for poverty targeting, as data have been collected in late 2019 and early 2020. However, Listahanan 3 has not yet been completed owing to the announcement of quarantine in the NCR and other regions in mid-March 2020. The Listahanan 3 surveys and data encoding have been cancelled until further notice. All DSWD staff have been asked to work from home.

9. Notably though, prior to the lockdown, the NHTO had finished surveying around 12 million out of the targeted 16.1 million households nationwide. Of the 12 million households surveyed, data collected for 8.3 million poor households have undergone verification and are considered “official”. While the data for 6.5 million households (78% of 8.3 million) have been encoded. For the NCR alone, NHTO had planned to survey 600,000 households in all. As of 14 March 2020, 400,000 households (66%) have already been surveyed and assessed. The information on 85,000 households has been encoded.

10. Once NHTO staff are able to continue with the encoding and data validation, it will be useful for the DSWD to draw on *Listahanan 3* for information on poor households (since the current list of 4Ps households is drawn from *Listahanan 1*, which was conducted in 2009). This list will include, both, those households which are eligible for 4Ps as well as other poor and near-poor households without children. It is also possible for NHTO to identify households with other vulnerabilities – people with disabilities, households with indigent senior citizens, among others. Previous Listahanan exercises (Listahanan 2 in 2015 and Listahanan 1 in 2010) are also available against which the roster of the poor can be verified. For instance, for parts of the NCR not surveyed under L3, the NHTO can draw on information from *Listahanan 2* (conducted between 2015 and 2017) and *Listahanan 1* as required. See Annex 1 for additional information.

⁶ The list of beneficiaries from LGUs and other agencies will be subjected to “deduplication” against the Listahanan 2 list to ensure non-duplication. This validated list will form the basis of unique identifiers for the issuance of social amelioration family cards. The DSWD has been designated by the Inter Agency Task Force established under the *Bayanihan* Act to host the database for the COVID-19 social amelioration program of the government.

11. In view of the time required for completing and integrating a beneficiary list with the *Listahanan 3*, *Listahanan 2* will be used by the DSWD in the interim to verify beneficiaries in the deduplication process to identify households that are eligible for receiving the ECA under the *Bayanihan Law*.

B. Estimated quantum of support

12. The *Bayanihan Law* sets an assistance package ranging from P5,000 – P8,000 (\$98-\$157) per household per month for two months. Estimated to be the minimum requirement to ensure that families are able to purchase basic needs through the quarantine and lockdown period this amount is close to DSWD's ECT guidelines. The ECA prescribes a cash assistance equivalent to 75% of the prevailing minimum daily wage rate per region released on a monthly basis (maximum of three months).⁷

13. To avoid duplication, beneficiary information and current assistance (from national and LGUs) being received by beneficiaries will be taken into account. This information will be recorded in a Social Amelioration Family Card to be distributed by LGUs and DSWD, after the process of validation and deduplication. The Inter Agency Task Force on COVID-19 will schedule a national registration day to facilitate the filling in and issuance of family cards by those who are in need of emergency assistance.

14. The DSWD shall top-up existing cash grants of beneficiaries (4Ps, *Listahanan* unconditional cash grant for non-4Ps households, and grants for social pensioners) up to the amount of assistance provided under the *Bayanihan Law*, i.e., P5,000 – P8,000 (\$98-\$157).⁸ This top-up support to DSWD beneficiaries will ensure that poor households of ongoing DSWD programs receive the same benefit level as other low-income households affected by the economic impacts of the COVID-19 outbreak.

15. The project shall focus assistance and support for DSWD's emergency cash assistance to 4Ps beneficiaries. 4Ps beneficiaries are targeted based on *Listahanan 1* (could also be migrated to *Listahanan 3* when complete). Eighty-six percent (86%) of beneficiaries under 4Ps receive grants electronically through their cash cards or automated teller machine (ATM). The remaining 14% (majority in the Bangsamoro Autonomous Region in Muslim Mindanao or ARMM region) receive their benefits through over-the-counter transactions. This top up support shall be unconditional and not be tied to any of the 4Ps program conditions.⁹ Table 2 shows the estimate of program requirement for the different regions and beneficiary group. Total cost of assistance for all beneficiaries is estimated at \$3,715.8 million for 2 months. ADB will support expenditures only for the 4Ps households with cash cards under the ongoing SPSP-AF II, estimated at \$635.2 million for two months. ADB's contribution is approximately 4.0% of total cost of emergency assistance and 23.6% of assistance provided to 4Ps beneficiaries (Table 3).

16. For Non-4Ps beneficiaries, cash assistance will be provided either through direct transfers (those with cash cards) or through distribution by LGUs.

⁷ Minimum daily wage rates per region are prescribed by the National Wages and Productivity Commission of the Department of Labor and Employment (DOLE).

⁸ The maximum support is based on the current minimum wage per region. For NCR, the rate is P8,000; Regions III and IV-A is P6,500; Regions VI, VII, X and XI is P6,000; CAR, I and II is P5,500. The rest of the regions is at P5,000.

⁹ The *Pantawid Law* allows the payment of education and health grants without compliance with conditions based in cases of *force majeure* or during times of calamities, war and armed conflicts that makes it impossible for conditions to be met. Under 4Ps Regulations, full compliance with the 4Ps program conditions are deemed waived in such cases.

Table 2: Potential vulnerable segments in need for emergency cash assistance

Region	Potential Vulnerable Segments						Emergency Cash Assistance (Million Php) - Two Months					US\$ (million)
	Current DSWD Beneficiaries				Informal Sector Workers	Total Potential Beneficiaries	4Ps ECA less 4Ps Grants	Senior Citizens	Listahanan Poor non-4Ps	Informal Sector Workers	Subtotal	
	4Ps Beneficiaries	Senior Citizens	Listahanan Poor Non 4Ps	Total								
NCR	215,202	169,482	25,491	410,175	954,155	1,364,330	2,862.19	2,711.71	407.86	15,266.47	21,248.23	417.70
CAR	60,161	66,088	23,705	149,954	103,240	253,194	499.34	726.97	260.76	1,135.64	2,622.70	51.56
I	205,194	175,530	57,969	438,693	434,258	872,951	1,703.11	1,930.83	637.66	4,776.84	9,048.43	177.87
II	103,700	157,738	68,099	329,537	284,584	614,121	860.71	1,735.12	749.09	3,130.42	6,475.34	127.29
III	289,654	93,656	110,705	494,015	951,341	1,445,356	2,983.44	1,217.53	1,439.17	12,367.44	18,007.57	353.99
IV-A	312,144	175,150	79,948	567,242	1,193,199	1,760,441	3,215.08	2,276.95	1,039.32	15,511.59	22,042.94	433.32
IV-B	194,390	164,183	76,044	434,617	208,453	643,070	1,419.05	1,641.83	760.44	2,084.53	5,905.85	116.10
V	363,427	194,810	113,958	672,195	391,935	1,064,130	2,653.02	1,948.10	1,139.58	3,919.35	9,660.04	189.90
Luzon	1,743,872	1,196,637	555,919	3,496,428	4,521,164	8,017,592	16,195.93	14,189.04	6,433.87	58,192.28	95,011.11	1,867.72
VI	319,772	290,959	226,702	837,433	532,959	1,370,392	2,973.88	3,491.51	2,720.42	6,395.51	15,581.32	306.30
VII	282,573	215,987	282,379	780,939	663,381	1,444,320	2,627.93	2,591.84	3,388.55	7,960.57	16,568.89	325.71
VIII	279,133	165,861	142,996	587,990	268,345	856,335	2,037.67	1,658.61	1,429.96	2,683.45	7,809.69	153.52
Visayas	881,478	672,807	652,077	2,206,362	1,464,685	3,671,047	7,639.48	7,741.96	7,538.93	17,039.53	39,959.90	785.53
IX	299,439	170,797	111,294	581,530	146,249	727,779	2,185.90	1,707.97	1,112.94	1,462.49	6,469.30	127.17
X	265,852	176,094	225,857	667,803	432,450	1,100,253	2,472.42	2,113.13	2,710.28	5,189.40	12,485.24	245.43
XI	256,683	247,769	97,840	602,292	527,336	1,129,628	2,387.15	2,973.23	1,174.08	6,328.03	12,862.49	252.85
XII	246,605	245,766	157,052	649,423	342,101	991,524	1,800.22	2,457.66	1,570.52	3,421.01	9,249.41	181.82
CARAGA	188,879	130,773	79,842	399,494	193,894	593,388	1,378.82	1,307.73	798.42	1,938.94	5,423.91	106.62
BARMM	397,830	97,117	298,559	793,506	70,186	863,692	2,904.16	971.17	2,985.59	701.86	7,562.78	148.67
Mindanao	1,655,288	1,068,316	970,444	3,694,048	1,712,216	5,406,264	13,128.67	11,530.89	10,351.83	19,041.74	54,053.13	1,062.57
Grand Total	4,280,638	2,937,760	2,178,440	9,396,838	7,698,066	17,094,904	36,964.08	33,461.88	24,324.63	94,273.54	189,024.14	3,715.83

Table 3: Emergency Cash Assistance to 4Ps Cash Card Holders

Region/ Island	4Ps Cash Card Holders HH	Monthly Support Under Bayanihan Law per HH	Monthly Health and Rice Subsidy Under 4Ps per HH	Monthly ESA Less 4Ps grants per HH	Total Monthly ESA per Region (\$ million)	Total Two Months (\$million)
	A	B	C	D (B-C)	E (D x A)	
NCR	211,480	157.3	26.6	130.7	27.6	55.3
CAR	58,877	108.1	26.6	81.6	4.8	9.6
I	189,367	108.1	26.6	81.6	15.4	30.9
II	98,820	108.1	26.6	81.6	8.1	16.1
III	276,880	127.8	26.6	101.2	28.0	56.1
IV-A	302,790	127.8	26.6	101.2	30.6	61.3
IV-B	162,754	98.3	26.6	71.7	11.7	23.4
V	348,769	98.3	26.6	71.7	25.0	50.0
Luzon	1,649,737	933.8	212.4	721.3	151.3	302.6
VI	300,666	117.9	26.6	91.4	27.5	55.0
VII	268,064	117.9	26.6	91.4	24.5	49.0
VIII	247,114	98.3	26.6	71.7	17.7	35.5
Visayas	815,844	334.2	79.7	254.5	69.7	139.4
IX	289,015	98.3	26.6	71.7	20.7	41.5
X	245,503	117.9	26.6	91.4	22.4	44.9
XI	244,777	117.9	26.6	91.4	22.4	44.7
XII	233,268	98.3	26.6	71.7	16.7	33.5
CARAGA	172,925	98.3	26.6	71.7	12.4	24.8
BARMM	26,821	98.3	26.6	71.7	1.9	3.8
Mindanao	1,212,309	629.1	159.3	469.7	96.6	193.2
Grand Total	3,677,890				317.6	635.2

\$1 = 50.87

C. Delivery Mechanism

17. As of February 29, 2020, approximately 4,280,638 Listahanan-poor households are covered by 4Ps and are in the process of receiving grant payouts for December-January in March 2020 (Table 4). For Luzon, there are approximately 1,743,878 4Ps active households and about 95% of them have EMV cash cards for them to withdraw their grants anytime and anywhere. The cash cards allow ease and efficiency in reaching additional financial assistance to them.

Table 4: Active Beneficiaries and Payment Modality by Region/Island as of 29 February 2020

Island / Region	Active Households	Homeless Street Families*	Indigenous Peoples*	Payment Modality	
				Cash Card	Over the Counter
NCR	215,202	3,199	531	211,480 98%	3,722
CAR	60,161	-	37,425	58,877 98%	1,284
I	205,194	-	13,673	189,367 92%	15,827
II	103,700	-	31,902	98,820 95%	4,880
III	289,654	119	12,583	276,880 96%	12,774
IV-A CALABARZON	312,144	15	2,925	302,790 97%	9,354
MIMAROPA	194,390	-	52,479	162,754 84%	31,636
V	363,427	-	7,302	348,769 96%	14,658
Luzon	1,743,872	3,333	158,820	1,649,737 95%	94,135
VI	319,772	-	13,570	300,666 94%	19,106
VII	282,573	512	3,641	268,064 95%	14,509
VIII	279,133	1	257	247,114 89%	32,019
Visayas	881,478	513	17,468	815,844 93%	65,634
IX	299,439	19	86,531	289,015 97%	10,424
X	265,852	182	56,192	245,503 92%	20,349
XI	256,683	-	104,538	244,777 95%	11,906
XII	246,605	-	80,572	233,268 95%	13,337
Caraga	188,879	250	31,461	172,925 92%	15,954
BARMM	397,830	-	107,832	26,821 7%	371,009
Mindanao	1,655,288	451	467,126	1,212,309 73%	442,979
Grand Total	4,280,638	4,297	643,414	3,677,890 86%	602,748

Annex 1: Three rounds of Listahanan compared

- (i) **Listahanan 3.** L3 is based on an econometric proxy means test model that predicts household income based on a limited set of observable characteristics from the household survey. The default model assesses income against a 1.1 times the 2015 poverty line cutoff. ADB developed the econometric model underpinning Listahanan 3 in a manner that allows the poverty threshold to be modified easily, while maintaining fully balanced exclusion and inclusion errors. This means that the data can target any multiplier of the poverty line with strong performance.
- (ii) **Listahanan II.** In 2015, Listahanan 2 was conducted using many of the same elements as Listahanan 3, using the 2012 poverty line as the cutoff. The exercise surveyed 15.2 million households and identified 5.1 million poor households using proxy means test models that were differentiated for rural and urban areas. Unfortunately, L2 also faced some issues. A substantial share of 4Ps households was missed, partially due to intentional respondent unavailability to avoid the risk of being deemed ineligible. The model for Metro Manila also was unable to identify a plausible number of poor. For these reasons, L2 results were not used for targeting of 4Ps or other large-scale programs. L2 has better accuracy for areas outside of NCR than the NCR region. It also provides a basis for targeting of new households formed since L1 and not yet covered by L3.
- (iii) **Listahanan I.** In 2009, Listahanan 1 was conducted using many of the same elements as Listahanan 3. The exercise surveyed 10.9 million households and identified 5.2 million poor households using proxy means test models. This remains the basis for targeting of most social protection in the Philippines including the 4Ps.