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PROJECT PERFORMANCE ASSESSMENT REPORT



PHILIPPINES

Social Welfare and Development Reform Project

Report No. 137065

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Report No.: 137065

PROJECT PERFORMANCE ASSESSMENT REPORT

THE PHILIPPINES

**SOCIAL WELFARE AND DEVELOPMENT REFORM PROJECT
(IBRD-78050, IBRD-82180)**

June 27, 2019

*Human Development and Economic Management
Independent Evaluation Group*

Currency Equivalents (annual averages)

Currency Unit = Philippine Peso (PHP)

2010	\$1.00	PHP 46.30
2011	\$1.00	PHP 43.33
2012	\$1.00	PHP 42.05
2013	\$1.00	PHP 43.15
2014	\$1.00	PHP 43.66
2015	\$1.00	PHP 42.12
2016	\$1.00	PHP 47.07

Abbreviations

CAS	Country Assistance Strategy	MCCT	modified conditional cash transfer
CCT	conditional cash transfer	MDG	Millennium Development Goals
CPE	Country Program Evaluation	MIS	Management Information System
CPF	Country Partnership Framework	NHTS-PR	National Household Targeting System for Poverty Reduction (<i>Listahanan</i>)
CY	calendar year	NPMO	National Project Management Office
DSWD	Department of Social Welfare and Development	PDP	Philippine Development Plan
FY	fiscal year	PMT	proxy means test
GDP	gross domestic product	PPAR	Project Performance Assessment Report
IBRD	International Bank for Reconstruction and Development	RDD	regression discontinuity design
ICR	Implementation Completion and Results Report	RCT	randomized control trial
IEG	Independent Evaluation Group	SWDRP	Social Welfare Development Reform Project
IPPF	Indigenous Peoples Policy Framework		
LGU	local government unit		

All dollar amounts are U.S. dollars unless otherwise indicated.

Fiscal Year

Government: January 1 – December 31

Director-General, Independent Evaluation	Ms. Alison Evans
Acting Director, Human Development and Economic Management	Ms. Sophie Sirtaine
Acting Manager, Corporate and Human Development	Mr. Rasmus Heltberg
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This report was prepared by Elena Bardasi, Task Manager, who assessed the project in January 2019. The report was peer reviewed by Rasmus Heltberg and panel reviewed by Soniya Carvalho. Yezena Yimer provided administrative support.

Principal Ratings

Philippines: Social Welfare and Development Reform Project (IBRD-78050, IBRD 82180)

Indicator	ICR	ICR Review	PPAR
Outcome	Highly satisfactory	Highly satisfactory	Highly satisfactory
Risk to development outcome	Moderate	Substantial	Substantial
Bank performance	Satisfactory	Satisfactory	Satisfactory
Borrower performance	Satisfactory	Satisfactory	Satisfactory

Note: The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Global Practice. The ICR Review is an intermediate Independent Evaluation Group product that seeks to independently validate the findings of the ICR. PPAR = Project Performance Assessment Report.

Key Staff Responsible

Management	Appraisal	Completion
Project Team Leader	Jehan Arulpragasam	Aleksandra Posarac
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Country Director	Bert Hofman	Mara K. Warwick

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About This Report

The Independent Evaluation Group (IEG) assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the World Bank's self-evaluation process and to verify that the World Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20–25 percent of the World Bank's lending operations through fieldwork. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which executive directors or World Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government and other in-country stakeholders, interview World Bank staff and other donor agency staff both at headquarters and in local offices as appropriate, and apply other evaluative methods as needed.

Each PPAR is subject to technical peer review, internal IEG panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible World Bank Country Management Unit. The PPAR is also sent to the borrower for review. IEG incorporates both World Bank and borrower comments as appropriate, and the borrower's comments are attached to the document sent to the World Bank's Board of Executive Directors. After an assessment report is sent to the Board, it is disclosed to the public.

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Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current World Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, sector strategy papers, and operational policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared with alternatives. The efficiency dimension is not applied to development policy operations, which provide general budget support. *Possible ratings for outcome:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Risk to development outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for risk to development outcome:* high, significant, moderate, negligible to low, and not evaluable.

Bank performance: The extent to which services provided by the World Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan or credit closing toward the achievement of development outcomes). The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Borrower performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation and complied with covenants and agreements toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for borrower performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Preface

This is the Project Performance Assessment Report (PPAR) by the Independent Evaluation Group (IEG) of the World Bank Group on the Social Welfare and Development Reform Project (SWDRP; including additional financing) in the Philippines (P082144). The SWDRP I was approved by the World Bank's Board of Executive Directors on November 17, 2009. The total project cost at appraisal was \$505 million, comprehensive of a specific investment loan of \$404 million and a borrower contribution of \$107 million. An additional financing of \$100 million was approved on November 8, 2012 and additional government commitment of \$33.4 million. By project closing on December 31, 2015, actual project costs totaled \$4,764 million, as the government scaled up its conditional cash transfer program (supported by the project) to become a nationwide program.

This evaluation serves both an accountability and a learning objective. From the accountability perspective, the SWDRP channels a sizable loan from the World Bank to the government of the Philippines in support of the largest social protection program in the country and therefore deserves special scrutiny. From the learning perspective, the SWDRP has been selected as part of a cluster of PPARs to assess World Bank support to strengthening the capacity of social protection systems. It offers therefore the opportunity to shed light on what works and what does not in capacity building efforts for improving the effectiveness and efficiency of social protection systems.

The findings of this report are based on a review of (i) World Bank project documents (project appraisal documents, Implementation Completion Reports (ICRs) and IEG ICR Reviews, Bank Group country strategies, and relevant sector strategies); (ii) government documents (government country strategies, sector strategies, regular program reporting documents, briefings, and presentations); (iii) external academic and policy literature, including impact evaluations; (iv) analysis of secondary data (aggregate poverty data and administrative data); (v) interviews with World Bank staff and relevant stakeholders; and (vi) site visits. The report was peer reviewed by Rasmus Heltberg and panel reviewed by Soniya Carvalho and received helpful comments from Emanuela Di Gropello, former manager.

A mission to the Philippines was undertaken in January 2019. The mission was jointly conducted with the Philippines Country Program Evaluation team, which ensured mutual learnings and consistency of findings, and generated efficiencies in scheduling and conducting meetings and visits. During the mission interviews were conducted with government officials and technical staff (especially of the Social Welfare and Development, Education, and Health departments), relevant development partners, and other relevant stakeholders. In addition, IEG conducted a field visit in the Cebu region—

in Cebu City and municipalities of Moalboal and Pinamaghan, and in select barangays in those municipalities—to meet regional officials, municipality mayors, barangay captains, communities, and parent leaders, as well as see schools and health centers.

IEG gratefully acknowledges all those who made time for interviews and provided documents and information, and expresses its gratitude to the World Bank's office in Manila for the logistical and administrative support provided to the mission. The list of persons met is in appendix D.

Following standard IEG procedures, a copy of the draft report was sent to the relevant government officials and agencies for their review and feedback. The borrower did not have any comments on the report.

Summary

The Social Welfare and Development Reform Project (SWDRP) was conceived during a period (2007–08) when the Philippines was experiencing high rates of poverty and vulnerability. After several years of sustained growth, the Philippines felt the negative impact of the 2008 global financial crisis. Growth was only 3.7 percent in 2008 and decreased further in 2009. As growth was slowing down, the Philippines was also experiencing high rates of poverty, which increased from 30 percent in 2003 to 32.9 percent in 2006 – an indication of a low response of poverty reduction to growth. Vulnerability to shocks was also high: between 2003 and 2009, 44 percent of the population was poor at least once—and of that 44 percent, two out of three households moved in and out of poverty. Progress toward the Millennium Development Goals was slow, particularly in health and education. Between 1990 and 2007 there was barely any improvement in the primary education net enrollment rate, drop-out rates, the percentage of children immunized against measles, prevalence of stunting, and maternal mortality rates.

The socioeconomic and political conditions were ripe for introducing a large, nationwide social protection program. Apart from the Kapit-Bisig Laban sa Kahirapan—Comprehensive and Integrated Delivery of Social Services, introduced in 2003 to alleviate rural poverty, there were no sizable social programs and the very few existing ones (such as the rice subsidy) were very poorly targeted. Recognizing the fragmentation of social programs and the inefficient targeting system, the Arroyo administration decided to pilot a conditional cash transfer (CCT). The CCT was to fit squarely in the political manifesto “Social Contract with the Filipinos,” whose goals of ensuring inclusive growth and equitable access to quality basic social services, especially for the poor and vulnerable, provided the perfect framework for the SWDRP.

The SWDRP had two objectives: (i) strengthen the effectiveness of the Department of Social Welfare and Development (DSWD) to efficiently implement the Pantawid Pamilyang Pilipino Program (the CCT program, known as Pantawid); and (ii) strengthen the effectiveness of the DSWD to expand an efficient and functional National Household Targeting System of social protection programs. These objectives were very consistently articulated across project documents and were reiterated unchanged when the project received additional financing.

The overall outcome rating is **highly satisfactory**.

The relevance of objectives is rated **high**. The program was and remained fundamentally relevant to the country conditions, the strategic objectives of the country, and the World Bank Group's country strategies. The CCT program and, more generally, the expansion of social protection programs under the leadership of the DSWD, were recognized by subsequent Philippines Development Plans as critical to mitigating the negative impacts of the 2008 global financial crisis and helping the country reduce vulnerabilities. The centrality of Pantawid as an antipoverty program was reiterated in the FY10–12 Country Assistance Strategy and the FY15–18 Country Partnership Framework.

The relevance of design is rated **high**. The project design reflects a well-articulated logic linking project activities to output and outcomes and was consistent with the development objectives. The project components were designed to complement each other in attaining the project development outcomes and combined the creation of a household targeting system and a CCT program that were conceived as the main pillars of a coherent national social protection program. The project was firmly rooted in technical advisory activities conducted over the period 2006–10 that allowed a better definition of critical design elements and it also benefited from the World Bank's global expertise in CCTs. The project development objective indicators opportunely focused on the targeting accuracy and on assessing progress in school enrollment and attendance and in the use of health services. Though poverty reduction was important as a rationale, it was not included as an objective—which was a fair decision considering the difficulties in assigning attribution.

The achievement of objective 1—strengthening the capacity of the DSWD to implement the CCT—is rated **high**. The project was able to help the DSWD to rapidly scale up the CCT into the third largest in the world and operate a complex set of interdependent systems (management information systems (MIS), compliance verification, a grievance redress system, payment, quality control) to regularly reach out to the right beneficiaries. Pantawid succeeded in increasing school attendance and visits to health clinics, beyond the original and revised targets. The impact evaluations documented positive impacts on children receiving Vitamin A and iron supplementation, as well as antenatal care, and having postnatal checkups by skilled professionals. Quite encouragingly, no negative impacts were found on alcohol, cigarettes and gambling expenses, and adult employment, and no positive impact on fertility. Disappointingly, no statistically significant impact was found on household income and poverty reduction (this was not a formal project development objective).

The achievement of objective 2—to help the DSWD as a social protection agency to expand an efficient and functional poverty registry—is rated **high**. The DSWD developed a poverty registry (*Listahanan*), which at project closing was used by 25 nationwide social protection programs, including Pantawid. At the end of the project, all 5.2 million households identified as poor by *Listahanan* were receiving benefits from at least one social program (4.4 million from Pantawid). The updated *Listahanan*, which was funded by the project around the time of its closing, was regrettably not used to update the list of Pantawid beneficiaries, however. Overall, the SWDRP played a critical role in strengthening the DSWD's capacity to assume a leadership role in social protection.

Efficiency is rated **high**. *Listahanan* was found to have a better targeting performance than previous targeting systems and has also relatively low inclusion and exclusion errors in comparison with other CCT programs. The use of the updated *Listahanan* (a third round is scheduled for this year) to improve targeting is critical to increase efficiency further.

Risk to development outcome is rated **substantial**. Although Pantawid was legally recognized this year, which provided much needed institutionalization, the program has been going through a stagnation phase and risks of not evolving rapidly enough to meet the Philippines' socioeconomic challenges. The updated *Listahanan* has not been used to revise the list of beneficiaries. The cash transfer conditions have not been revisited either, after the extension of the education grant to children 14 to 18 years old. The benefit amount has never been adjusted in more than 10 years and has lost value in real terms, raising questions about its adequacy in fighting poverty. The program did contribute to changing behaviors, but the poor achievements in maternal mortality, stunting, and learning outcomes call for an assessment of how Pantawid may be modified to address these problems.

Bank performance is rated **satisfactory**. Quality at entry is rated satisfactory. The World Bank complemented the project with several technical assistance activities to establish the foundations of the project before it launched and to work on critical issues such as anticorruption. Technical assistance continued during the life of the project to help the government develop its Social Protection Framework. Quality of supervision is rated satisfactory. The World Bank regularly conducted supervision missions in strict coordination with other development partners (such as the Asian Development Bank and Australia Aid), including field missions in different parts of the country, which allowed gathering firsthand information on project implementation and performance.

Borrower performance is rated **satisfactory**. The government's performance is rated satisfactory. The government was highly committed to the project, engaged in a deep

and productive collaboration with the World Bank, and placed high stakes in the results. While waiting for SWDRP to become effective, the government funded the piloting of Pantawid and the setup of *Listahanan* with its own budget and continued to invest an increasing amount of resources in rapidly scaling up the CCT. The performance of the DSWD, the implementing agency, is rated satisfactory. The DSWD successfully designed and implemented the CCT program, institutionalized partnerships with other government agencies (especially the Department of Health and the Department of Education) and the local government units, and established the MIS and other program systems. During the life of the project, the DSWD grew from a small department to the leading agency in social protection, with enough capacity to manage a massive poverty registry, the third largest CCT program in the world, and several other social programs.

Lessons

- **The success of a large, nationwide social protection program like Pantawid lies in creating and strengthening the operational and institutional systems needed to support it.** SWDRP supported not only the CCT (as in funding the grants), but first and foremost also the creation of the poverty registry—a critical tool for targeting and providing credibility to the program—and the capacity of the government to manage and sustain such a large program. Thanks to its solid institutional base, Pantawid expanded much faster than originally anticipated—faster than any other country in the world—and became the third largest CCT in the world (behind those of Brazil and Mexico) in population coverage. The adoption of a systemic approach was one of the keys to the project’s success.
- **Strong government ownership is critical to establishing and sustaining ambitious programs like Pantawid.** Pantawid is a very good example of many elements coming together in a successful way: country conditions conducive to introducing a major social protection program, the World Bank’s solid expertise in establishing CCTs, and the government’s strong buy-in. This last element, in particular, ensured that a new targeting mechanism could replace the traditional patronage system and has protected the program from the initial general skepticism. The government commitment was also manifested in the amount of human and financial resources mobilized to strengthen its capacity to absorb the new program and manage it according to best practice. The recent institutionalization of the program, which was recognized by law, is an indication that the current administration continues to assign Pantawid a central position in the Philippines’ social protection system.
- **The World Bank’s ability to bring global knowledge to bear and skillfully deploy a full technical engagement was key to success.** Notwithstanding the

\$500 million loan provided by the SWDRP, the critical contribution by the World Bank was not really the financial part. The government eventually brought to the table 10 times the amount it borrowed. The key World Bank contribution was the technical assistance—the expertise, the training, the know-how—that was mobilized through the project and through trust-funded activities before and after the start of the project and turned out to be crucial for preparatory work, and continued technical support throughout implementation. The World Bank's support was especially critical in designing and implementing *Listahanan*, the proxy means testing, and the conditionalities, and in carrying out the impact evaluations. Moreover, complementing the project with smaller technical assistance operations allowed for bringing in ad hoc expertise for very specific but critical technical issues (such as addressing corruption).

- **Continuous monitoring and evaluation are essential to maintaining CCT programs like Pantawid and ensuring their constant evolution.** A fundamental contribution of the World Bank was the creation of a highly sophisticated MIS and the introduction of an evaluation culture to support the program. The MIS regularly ensures that Pantawid beneficiaries receive the appropriate grant based on their degree of compliance with conditionalities; it is constantly updated to regulate complex interdependent processes. At the same time, evaluation of processes and results are needed to inform the government of the necessary changes to keep the program effective.
- **The quality of education and health, not just service use, is critical to achieve the expected gains in human capital.** Like all CCTs, Pantawid acts on the demand side. The project's conditionalities, such as the family development sessions have been fundamental in bringing about behavioral change. The program was indeed quite effective in changing attitudes and behaviors—increasing school attendance and supporting regular visits to health clinics. It has not been as effective in affecting development outcomes such as learning, stunting, or maternal mortality. These outcomes, however, crucially depend also on the quality of services provided. Supply-side conditions need to operate in conjunction with incentives on the demand side (such as Pantawid conditionalities) to achieve gains in human capital.
- **As for all CCTs, a graduation strategy is essential to ensure that the program delivers on longer-term benefits and acts as a stepping-stone into more stable livelihoods.** Pantawid had no significant impact on household expenditure. To the extent that poverty is one of the root causes of school drop-outs the grant amount needs to be adjusted for the income effect to continue to operate. This adjustment needs to go hand in hand with efforts to reduce exclusion errors and

ensure that the right beneficiaries are served by the program. Eventually, the program will need to address more forcefully the issue of program graduation, which is about equipping individuals with a new mind-set and skills that facilitate a transition into productive activities so individuals may hope for a better future for themselves and their children.

Sophie Sirtaine
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1. Background and Context

1.1 This report is the Project Performance Assessment Report (PPAR) of the Social Welfare and Development Reform Project (SWDRP; including additional financing) in the Philippines (SWDRP I, P082144). The SWDRP I was approved by the World Bank's Board of Executive Directors on November 17, 2009. The total project cost at appraisal was \$505 million, comprehensive of a specific investment loan of \$404 million and a borrower contribution of \$107 million. An additional financing of \$100 million was approved on November 8, 2012 and additional government commitment of \$33.4 million. The project closed on December 31, 2015 (the original closing date of June 30, 2014 was amended so that the project would close on the same date as the additional financing). The actual cost at closure was \$4,765 million, as the government scaled up its conditional cash transfer (CCT) program (supported by the project) to become a nationwide program.

Country and Project Background

1.2 The SWDRP was conceived during 2007–08 when the Philippines was experiencing high rates of poverty and vulnerability. After several years of sustained growth (an average of 5.4 percent during the period 2003–06, 7.3 percent in 2007), the Philippines felt the negative impact of the global 2008 crisis. Growth was only 3.7 percent in 2008 and decreased further in 2009. As growth was slowing down, the Philippines was also experiencing high rates of poverty. Despite sustained growth during the period 2003–06, poverty increased from 30 percent to 32.9 percent (according to the data available at project preparation), which indicates a low response of poverty reduction to growth (World Bank 2009b, 1). More recent calculations presented in the 2018 Poverty Assessment show lower levels of poverty in 2006 (26.6 percent based on the national poverty line), which, however, remained stubbornly high (26.3 percent) in 2009 (World Bank 2018). Vulnerability to shocks was also high: between 2003 and 2009, 44 percent of the population was poor at least once—and of that 44 percent, two out of three households moved in and out of poverty (World Bank 2014a).

1.3 The Philippines was also lagging in its progress toward the Millennium Development Goals (MDGs), particularly in health and education. The net enrollment ratio in primary education was 84.6 percent in 1990 and remained stable at 84.8 percent in 2007. Drop-out rates were high; only 75.3 percent of children entering grade 1 made it to grade 6. The proportion of one-year-old children immunized against measles barely rose from 77.9 percent in 1990 to 81.7 percent in 2007. Malnutrition was prevalent, with only 64 percent of Filipino children meeting the World Health Organization normal

weight-for-age standards, and maternal mortality was high at 162 maternal deaths per hundred thousand live births in 2006 (World Bank 2009b).

1.4 The socioeconomic conditions were ripe for introducing a large, nationwide social protection program. Before the introduction of the CCT program supported by the SWDRP, the main poverty reduction project was the Kapit-Bisig Laban sa Kahirapan–Comprehensive and Integrated Delivery of Social Services, introduced in 2003, which adopted a community-driven development approach to delivering social services and implementing local projects to alleviate poverty. The focus was very much on rural and agricultural development and improving the quality of life of the rural poor. The other main social program was the rice subsidy program, which absorbed just 0.4 percent of gross domestic product (GDP) and was very poorly targeted, with high leakage to the non-poor. School meal programs and one-time subsidies (like the one-time energy subsidy and the one-time old-age allowance) were the only other items of a limited and fragmented social welfare package (Kim and Yoo 2015).

1.5 The political conditions were also favorable for taking bold steps to strengthen the social protection system in the Philippines. The Arroyo administration, recognizing the fragmentation of social protection programming, the lack of coordination across implementing agencies, and the inefficient targeting system, was eager to pilot a CCT, inspired by the positive experiences of Mexico and Brazil. The two Secretaries of the Department of Social Welfare and Development (DSWD) who alternated during the period 2001–16 played a fundamental role in launching and expanding the CCT program and positioning it in the political agenda.¹ Under President Aquino,² the CCT was to fit squarely into the “Social Contract with the Filipinos,” whose goals of ensuring inclusive growth and equitable access to quality basic social services, especially for the poor and vulnerable, provided the perfect framework for SWDRP.

2. Relevance of the Objectives and Design

Objectives

2.1 The project objective was clearly identified, consistent across sources, and did not change when the project received additional financing. The project development objective was “to strengthen the effectiveness of Department of Social Welfare and Development as a social protection agency to efficiently implement the Pantawid Pamilyang Pilipino Program (the CCT program) and to expand an efficient and functional National Household Targeting System of social protection programs.” This formulation was the same in the loan agreement (project description, Schedule 1, World Bank 2010) and in the project appraisal document (project development objective and key indicators; see table B.1; World Bank 2009b, 6).

2.2 Accordingly, this PPAR focuses on two objectives, which were reiterated unchanged at the time of the additional financing:

- **Objective 1:** Strengthen the effectiveness of the DSWD to efficiently implement the Pantawid Pamilyang Pilipino Program (the CCT program); and
- **Objective 2:** Strengthen the effectiveness of the DSWD to expand an efficient and functional National Household Targeting System of social protection programs.

2.3 A split rating has not been undertaken. Project objectives remained unchanged and the outcome targets were revised upwards.

Relevance of the Objectives

2.4 Relevance of objectives is rated high, because both project objectives were highly relevant to the country conditions, the Philippines country strategy, and the Country Assistance Strategy of the World Bank Group, at appraisal and at completion. Throughout the duration of the project, the two Bank Group country strategy documents, the Country Assistance Strategy (CAS) FY10–12 (de facto covering the period 2009–13, World Bank 2009a) and the Country Partnership Framework (CPF) FY14–17 (de facto covering the period 2014–18, World Bank 2014a) were perfectly aligned with the country strategic priorities as articulated in the country development plans (Philippines 2010, 2011, 2014), which clearly identified the major challenges that the country was facing and the entry points for the project to help address those challenges.

2.5 The SWDRP was to support the CCT program (piloted by the government in early 2008) and the social protection system reforms, which in 2006/07 became a priority because of the weak progress toward cutting poverty and achieving the MDGs. According to the data available when the project appraisal document was prepared, poverty was as high as 32.9 percent in 2006, despite average GDP growth of 5.4 percent between 2003 and 2006 (World Bank 2009b, 1). High inequality explained the low response of poverty reduction to growth, according to the project appraisal document. Moreover, the Philippines was lagging compared with other East Asian countries in meeting key social MDG targets, including the net enrollment ratio in primary education (84.8 in 2007), retention in primary school (only 75.3 percent of pupils entering grade 1 were making it to grade 6), the percentage of one-year-old children immunized against measles (81.7 in 2007), malnutrition (64 percent of children meeting World Health Organization's normal weight-for-age standards), and maternal mortality (162 per hundred thousand live births in 2006) (World Bank 2009b).

2.6 The key role of social protection programs in contributing to poverty reduction had been stressed by the CAS FY10–12 and the Updated Medium-Term Philippine Development Plan (MTPDP) 2004–10 (Philippines 2010; World Bank 2009a). The MTPDP 2004–10 recognized the need for an expansion of social protection programs under the leadership of the DSWD to mitigate the negative effects of the 2008 global financial crisis on the Philippine economy, with the objectives of improving the outcomes of social welfare and development services, achieving an integrated national and local-level delivery system, and building DSWD capacity. It established the scaling up of the CCT as a fiscal stimulus, a safety net for poor households, an instrument to meet human development goals on health and education, and a form of “social contract” whereby cash is provided to poor families when they meet a set of conditionalities on school participation and use of health services and facilities. The MTPDP 2004–10 also highlighted establishing a centralized targeting system for the “poorest of the poor” as a policy priority.

2.7 The FY10–12 CAS adopted the MTPDP 2010 as a framework and committed to support the scaling up of the CCT program. It reiterated the importance of helping the Philippines to reduce vulnerabilities by expanding and rationalizing the country’s social safety net and “financing faster-disbursing poverty alleviation programs such as the [CCTs] ...” (World Bank 2009a, i). This commitment was embedded in strategic objective 4, “Reduced Vulnerabilities,” and had two associated outcome indicators: (i) setting up and using a national household poverty targeting system (result area 4.1, outcome 1), and (ii) making the CCT program fully operational (result area 4.1, outcome 2). Because of the strategic importance of the CCT in counteracting the negative impact of the global crisis, the CAS established an increase in the SWDRP loan amount from the initially agreed on \$50 million to \$405 million, which was eventually reflected in the loan agreement. The FY10–12 CAS also envisaged increased coordination between core antipoverty programs (such as the CCT, the community-driven development initiatives and the reform programs of the education and health sectors) and better intergovernmental coordination between municipalities, provinces, and regions (outcome 2 of result area 3.2, “Basic service delivery in poor areas,” of strategic objective 3 “Better Public Service Delivery”).³

2.8 At project completion, the project remained central to both the 2011–16 Philippine Development Plan (PDP) and the CPF for FY15–FY18. The PDP (Philippines 2011) enunciated a long list of priorities for social development⁴ and explicitly linked the CCT to the overarching theme of inclusive growth. The plan envisaged that the combined impact of the CCT and support to productive employment would achieve the MDG commitment of halving poverty, from 33.1 percent in 1991 to 16.6 percent by 2015 or earlier (32). It additionally highlighted the CCT’s goal of reducing poverty not only

immediately (through the cash transfer) but also in the long term through human capital formation. The PDP 2011–16 recognized that although the CCT allowed for progress in terms of poverty reduction, more work needed to be done to consolidate social protection programs and complement them with the CCT, to ensure sustainability of the gains obtained by the beneficiaries. The PDP 2011–16 also highlighted the importance of improving the targeting of social protection programs through the national registry, intensifying policy coordination and program implementation of social protection measures, and establishing a monitoring and evaluation scheme.

2.9 The key role of the CCT in decreasing poverty was echoed by the CPF FY15–18, whose overarching goals—to promote inclusive growth, reduce poverty, and support shared prosperity—were directly linked to the Bank Group’s twin goals (World Bank 2014). In 2014 the CPF observed that although the Philippines experienced high economic growth during the previous decade, poverty reduction had not followed to the same extent. The CPF noted, however, that the last poverty statistics had shown a decline of three percentage points between the first semesters of 2012 and 2013, from 27.9 percent to 24.9 percent, and attributed this decrease to the government efforts to expand economic opportunities and social programs. Strengthening of social safety nets was included in the CPF engagement area “Empowerment of the poor and vulnerable” alongside improving poverty measurement and socioeconomic data systems, improving health outcomes and quality of basic education, and access to education for the vulnerable.

2.10 The midterm update of the PDP 2011–16 was published around the same time as the CPF FY15–18 and focused on the institutionalization of social protection programs and projects (Philippines 2014). It highlighted the centrality of the Social Protection Operational Framework (supported by the project) in guiding the implementation of social protection programs and committed to the development of a Social Protection Handbook as a primary reference to government agencies, local government units (LGUs) and civil society organizations in planning, implementing, monitoring and evaluating social protection interventions. Convergence of social protection programs had to be ensured through a unified monitoring and evaluation (M&E) system, regular programming and budgeting of programs by government agencies at various levels, and synchronization and harmonization of program implementation across sectors and institutions. The document acknowledged the leading role of DSWD in expanding social protection.

2.11 This review of the main strategic documents of the government of the Philippines and the Bank Group indicates that the project objectives were central to achieving key country goals. Although the SWDRP’s development objectives were not formulated in terms of final development outcomes, the CCT program was clearly

intended to support progress toward the MDGs—especially with respect to poverty reduction and creation of human capital. For this to happen, critical elements such as the creation, use and update of the poverty registry, the capacity of the DSWD to manage the CCT and other social programs, and the existence of a strong M&E system had to be put in place.

Design

2.12 To achieve its objectives the project proposed a specific investment loan aimed at supporting the CCT program and the institutional elements fundamental for its success, including establishing the poverty registry and strengthening the national social protection system. The project was also complemented by two programmatic technical assistance programs that operated in parallel to assist in the operational implementation of the project activities and the rapid expansion of the CCT. Moreover, funding was also provided by the Asian Development Bank through a \$400 million loan approved in September 2010.

Components

2.13 The project had three components:

2.14 Component 1: Support to the National Household Targeting System for Poverty Reduction (NHTS-PR) “*Listahanan*”⁵ (appraisal: \$64.5 million; actual: \$43.8 million).⁶ This component was to support the DSWD in implementing a national standardized targeting mechanism used to target the poor in key social assistance and social protection programs of DSWD and other government agencies. This component comprised: (i) technical support for the implementation of the targeting mechanism and the establishment of a national register, including carrying out two national household surveys to build and update the system, and implementing a proxy means test (PMT) to estimate poverty and build the poverty registry; and (ii) implementation support for the National Project Management Office (NPMO) within DSWD (tasked with implementing the targeting system), including providing training and technical assistance, conducting social marketing, providing logistical support, developing and implementing a management information system (MIS), and conducting spot checks for targeting.

2.15 Component 2: Support to Pantawid Pamilyang Pilipino Program (4Ps or Pantawid); appraisal: \$337.4 million; actual: \$459.9 million). This component was to support the implementation of the CCT program in selected poor provinces and municipalities. The CCT program aimed at addressing poverty and supporting improved health and education outcomes of poor children and pregnant women by providing cash grants to poor households, subject to their meeting certain conditions in health and education. This component financed (i) 75 percent of the CCT grants during

the period CY2009–CY2013 (the additional financing added funds to this component until the final closing date of December 2015); and (ii) the implementation support for the CCT, consisting of all key activities of the program cycle: registering households, verifying conditionalities, managing payments, organizing assemblies of grantees, implementing a grievance redress system, undertaking M&E, and developing and using a MIS system supporting all these operation activities.

2.16 Component 3: Building Institutional Capacity to Lead in Social Protection (appraisal: \$2.1 million; actual: see endnote 6). This component was to build DSWD's capacity to undertake policy analysis and strategic planning so that it could become the leading social protection agency. This component funded capacity building activities (such as training, consultations, development of manuals); the formulation, dissemination, and adoption of two key strategic plans (the National Social Protection Operational Framework and the Framework for Integrated Service Delivery); implementation activities (such as social marketing, knowledge management, learning development, and financial management); and M&E activities, specifically the streamlining of a unique monitoring system within DSWD.

Relevance of the Design

2.17 The project's design is rated **high**. The project's design was consistent with the development objectives, and the results chain reflected in the project's activities is logical, although a results framework was not explicitly developed in the project appraisal document.

2.18 The project was firmly rooted in technical advisory activities conducted over the period 2006–10 that allowed a better definition of critical design elements. A Japan Policy and Human Resources Development Trust Fund and an Australian Aid–funded nonlending technical assistance activity had funded the setup of the targeting system to support the CCT and several activities aimed at mitigating specific forms of corruption and administrative errors in the implementation of the CCT. The PMT model, the plan for spot checks, and the complaint resolution mechanism are examples of quality control elements that were initially developed using technical advisory activities in the pilot phase of the program and were then integrated in the design of the SWDRP.

2.19 The project was to benefit from the World Bank's global expertise in social protection and, more specifically, in CCTs. The World Bank's experience and knowledge, derived from supporting Latin American governments in designing and implementing CCTs, was reflected in the SWDRP design, especially in some of its elements (such as setting up a single national poverty registry with uniform and simple criterion to replace a plethora of opaque targeting systems, and adopting a PMT as a

targeting tool given the difficulties in verifying reported income). The World Bank's expertise and strong comparative advantage were clearly recognized as it took the lead in helping the government to initiate the pilot, even before SWDRP started, and designing its scale-up.⁷

2.20 The project components were designed to complement each other in attaining the project development outcomes. The project combined the creation of a household targeting system (registry) and a CCT program that were conceived as the main pillars of a coherent national social protection program. A strong capacity building element, including M&E, was to ensure that the DSWD could acquire the necessary capacity to set up and manage both the registry and the CCT program and become a strong institutional leader in the social protection sector.

2.21 The theory of change shows that the project design followed a logical thread between activities and expected outcomes. Figure C.7 in appendix C reconstructs the project's theory of change based on project documents; the figure also includes elements and assumptions that the literature of CCTs has recognized as critical for the achievement of the direct and long-term benefits. Like all CCTs Pantawid was designed to operate from the demand side—that is (i) change parents' (and children's) knowledge, attitudes, and behaviors regarding the use of education and health services and (ii) decrease the direct, indirect, and opportunity costs⁸ of investing in health and education. Elements in the project aimed at addressing (i) were the conditionalities and the family development sessions, while the grant amount was meant to address (ii). The cash transfer was to be delivered to poor households identified as such based on the application of the PMT to all households included in the poverty registry (*Listahanan*). The whole process was to be supported by a strong project management function, MIS, grievance redress system, payment system, and quality control.

2.22 The project development objective indicators opportunely focused on the accuracy of the targeting, and on assessing progress in school enrollment and attendance and in the use of health services (in bold in figure C.7). Although poverty reduction was among the main motivations to launch the program, and is one of the expected program benefits, the program's commitment was to deliver with respect to children's use of health and education services. This is considered appropriate, because poverty reduction depends on multiple factors that cannot be attributed to a project in particular; moreover, a household's increase in income and improved resilience are outcomes that typically materialize in the longer term. That said, this evaluation also discusses the performance of Pantawid in reducing poverty, which is however not taken into account for accountability purposes.

2.23 To deliver on education and health, the project was relying on critical supply-side assumptions. The project is aware that the existence and accessibility of education and health facilities are fundamental to improve school attendance and health services use; however, Pantawid, as is typical of CCTs, does not include supply-side activities. The project appraisal document indicates that the project was to exploit synergies with sectorwide reforms in education and health, supported by the World Bank–funded National Program Support for Basic Education and National Sector Support for Health Reform projects. The project appraisal document also mentions potential synergies between Pantawid and Kapit-Bisig Laban sa Kahirapan—Comprehensive and Integrated Delivery of Social Services, in particular with respect to community projects and social capital formation. Finally, the project appraisal document specifies that the spot checks for Pantawid (part of the quality control system) were to verify (also) the availability of supply-side services in the project areas.⁹ More ambitious assumptions about education and health quality are needed to ensure that higher service use leads to learning and better health outcomes—but these are long-term benefits that the program cannot commit to.

2.24 Some elements of the design were strengthened at additional financing based on the early results of the program’s impact evaluations and early implementation experience. The children’s age for eligibility was extended from 14 to 18, to cover secondary education, and the grant amount was increased for these older children in recognition of higher direct and indirect education costs. The World Bank did not push for a revision of other elements of the design, even though the impact evaluation results may have suggested otherwise; for example, it did not advocate for the overall increase of the grant amount, whose real value was being eroded by inflation.

2.25 The project design reflected both the World Bank’s and the government’s contributions. Some of the design elements were strongly favored by the government, such as the introduction of a condition on preschool attendance and one regarding the monthly attendance at family development sessions. Both elements proved to be important to bring about behavioral change.

2.26 The decision to run the program by reorganizing the DSWD departments critically allowed for the institutionalization of the CCT. The project decided to build and strengthen the government’s administrative capability to run the program directly, rather than resorting to the creation of a separate implementing agency. This decision proved fundamental to establishing the CCT, its fast scale-up, and its sustainability. Two different NPMOs were envisaged, each with a national and a regional layer; one for *Listahanan* (NPMO for the National Household Targeting System (NPMO-NHTS)) and one for Pantawid (NPMO-CCT); and each with specific expertise in developing and running their respective (but interconnected) operation and information systems.

Regional DSWD offices were to support the implementation at the regional level and interface with LGUs and local representatives of the departments of Education and Health (figure C.2). Over time, this powerful implementation system grew in tandem with the government's capacity to internalize functions that were initially highly dependent on World Bank support.

3. Implementation

Key Dates

3.1 The project was approved on November 17, 2009, became effective on April 7, 2010, and closed on December 31, 2015. The midterm review took place on June 25, 2012. The project was restructured on December 11, 2012, when an additional loan of \$110 million was approved for component 2. At that time, the project's original closing date of June 30, 2014 was extended another year and a half to make it correspond to the closing date of the additional financing.

Planned versus Actual Expenditure by Component

3.2 The World Bank's planned and actual expenditure were very well aligned; the government contributed a much higher amount than originally pledged. The total project cost estimated at appraisal was about \$511 million, including a \$404 million International Bank for Reconstruction and Development (IBRD) loan and \$107 million in government contribution. Actual project costs were \$4,764 million, including a \$503.7 million IBRD loan and \$4,260 million government contribution. The discrepancy between the IBRD planned and actual amount was due to front-end fees and exchange rate fluctuations. The high government contribution reflects the rapid scale-up of the program, faster than any initial expectation.

3.3 Most of the project funds were allocated to component 2, support to the CCT. The original project allocated \$337.4 million to this component to fund 75 percent of the health and education grants to beneficiaries in sets 1 and 2 (the CCT beneficiaries were divided into seven sets, with set 1 being the poorest); the remaining 25 percent and 100 percent of the grant for the remaining sets was covered by the government.¹⁰ The entire additional financing of \$100 million was allocated to component 2. The government funded the initial pilot phase of the program, before the project became effective, including the setup of the poverty registry (*Listahanan I*). Table C.4 shows the allocation of funds by component.

Implementation Experience

3.4 Project performance ratings as per Implementation Status and Results Reports remained predominantly satisfactory throughout the project life. Two Implementation Status and Results Reports (2 and 3) report a moderately satisfactory rating but do not point to any specific implementation concern (World Bank 2011–15). Project execution was successful, and the project closed on time, executing all of the funds.

3.5 The smooth implementation reflected the vast amount of work that had been already happening before the project started. At appraisal, the World Bank and DSWD had already developed a close partnership, and the World Bank was providing technical assistance to the DSWD to design, pilot, and begin implementation of the CCT program and the targeting system. The government had funded the CCT pilot phase and the production of *Listahanan*. The CCT was piloted in 2007–08 in Agusan del Sur, Misamis Occidental, and the cities of Pasay and Caloocan in Metro Manila. The surveys to identify the first batch of beneficiaries began in late 2007; the beneficiaries started getting their cash transfers in February 2008. The project activities were seamlessly integrated in an overall implementation plan that had already been well conceived.

3.6 The World Bank and the government, at the central and local levels, remained highly committed throughout implementation. The DSWD allocated sufficient resources and staff to implement all activities, and joined the World Bank in all supervision missions, as per Implementation Completion and Results (ICR) reporting. In its comments to the ICR, DSWD praised the good collaboration achieved with the World Bank during implementation as reflected in the joint participation in technical working groups, such as those for conducting impact evaluation studies.

Safeguards Compliance

3.7 The project integrated safeguard measures correctly. The project was classified as category C. It triggered OP/BP 4.10 Indigenous People's Policy, because the team concluded that the project was likely to benefit indigenous peoples through the delivery of the CCT in areas where they were likely to be present. Because it was not possible to determine the exact location of indigenous peoples at the start of the project, DSWD issued an Indigenous Peoples Policy Framework (IPPF) to define guidelines to identify and classify the groups of indigenous peoples that would be affected by the project; analyze potential effects and risks on them; ensure full participation of their representatives in all aspects of the project; and develop strategic adjustments to ensure that the project responded to their specific needs (World Bank 2009b).

3.8 Compliance with OP/BP 4.10 was satisfactory throughout the SWDRP implementation, as reported in the ICR. Several Aide Memoires of supervision missions

acknowledge the project's compliance with the IPPF and provide examples of how issues specific to indigenous peoples were addressed in SWDRP.¹¹ The ICR indicates that indigenous peoples were identified in *Listahanan* and through community validation exercises. Indigenous people's representatives were included in all program advisory committees from national to municipal levels. Focus groups were conducted regularly to capture feedback from indigenous Pantawid beneficiaries. Some features of the program, such as the family development session modules, were reviewed for indigenous peoples-sensitive aspects and separate modules were developed for indigenous peoples.

3.9 Some groups of indigenous households were not systematically reached by the program. Despite IPPF's commitment, the government recognized that most indigenous households were unlikely to be included in Pantawid, especially those living in geographically isolated and disadvantaged areas, migrant households, and those who may have been resettled outside of their ancestral lands. These groups were targeted by the Modified CCT program, launched by DSWD in 2014 after a piloting phase.¹² The ICR reports that at project closing, 13.1 percent of Pantawid beneficiaries were identified as indigenous households (11.5 percent among SWDRP beneficiaries). IEG interprets these figures to suggest that indigenous peoples are probably underrepresented in the program. According to the findings from a survey by the National Commission on Indigenous people reported by the International Fund for Agricultural Development (Cariño 2012), the population of indigenous peoples in the Philippines was estimated to be 12–15 million or higher or 10–15 percent of the total population.¹³ Because indigenous peoples are among the poorest and most marginalized groups in the Philippine society, they should make up a larger share of project beneficiaries than they actually do.

Financial Management and Procurement

3.10 Financial management and procurement were challenging in such a large program, but DSWD's capacity to deal with them satisfactorily grew over time. During implementation both financial management and procurement occasionally received moderately unsatisfactory ratings. Issues in financial management included delayed disbursement and liquidation of grants to program beneficiaries, because of the Land Bank's centralized processes of managing payments; and the delays in producing several financial reports. Issues in procurement consisted in delays in processing terms of reference (because of coordination issues internal to DSWD), which caused implementation delays for certain activities. There were difficulties in procuring financial conduit services in remote areas because of the limited duration of the contract offered (1 year) and lack of physical security granted to conduits in those areas (conduits are contractors used to channel funds to beneficiaries living in areas not served by the Land Bank). At the time of the IEG visit, difficulties in finding qualified organizations willing to operate in remote areas were mentioned by the DSWD Cebu regional office.

Moreover, there were delays in conducting spot checks because of the lack of service providers in the market and delays in the procurement processes. The World Bank's assistance in fiduciary and procurement matter at the national and regional levels effected a steady improvement in DSWD capacity, which was low at the start of the project. The ICR indicates that DSWD complied with the financial management-related covenants of the SWDRP loan (World Bank 2016, 15).

4. Achievement of the Objectives

4.1 The discussion that follows encompasses both the objectives that the project committed to achieve and the results that go beyond the indicators included in the results framework. This evaluation aims to fulfill a learning purpose, not just an accountability function. Table C.5 provides an overview of the results framework (per ICR) and clarifies which elements respond to the project development objective's commitments.

Objective 1: Strengthen Effectiveness of the DSWD to Efficiently Implement the CCT

Outputs

4.2 Almost all households (99 percent, surpassing the 90 percent target [World Bank 2016, iv, 19]) received the CCT grants regularly and on time. This is no small achievement, considering that at project closing 4.4 million households were entitled to receive the cash transfer (figure C.1 shows the increase in the number of beneficiaries over time). "Regularly" means at least 80 percent of the time, or 10 out of 12 months;¹⁴ "on time" means without serious delays, that is, less than 4 months past the reference month. This indicator is a combined measure of households complying with conditionalities and payments happening on time.

4.3 An extremely high percentage of households were complying with the education and health conditionalities. The share of households meeting education conditionalities regularly was 98 percent at project closing (exactly meeting the target), while the share of households meeting the health conditionalities regularly was 97 percent, surpassing the 80 percent target (table C.3 lists all the conditionalities). IEG analysis of the quarterly DSWD program Implementation Status and Results Reports shows very high compliance rates throughout implementation, with preschool attendance for 3–5-year-old children and attendance in primary and secondary school for 15- to 18-year-old children being the lowest (but always close to 95 percent) and deworming for 6- to 14-year-old children being the highest (above 99 percent; World Bank 2011–15). These high percentages indicate that supply-side constraints (service availability) were not an issue,

including for preschool children. Program beneficiaries as well as World Bank and government staff interviewed by IEG agree that the family development sessions were instrumental in changing attitudes and generating a sort of “community pressure” to comply with conditionalities.

4.4 The payment system has been effective in ensuring timely release of the grants. The use of conduits to reach unbanked beneficiaries in remote areas has helped facilitating timely delivery of the cash grant, although beneficiaries reported to IEG that they are facing nonnegligible direct and indirect (time) costs to cash the grant.

4.5 A mechanism for handling grievances was operational since the early stages of implementation and had a very high resolution rate. According to the MIS, the grievance resolution rate (defined as the percentage of grievances that were addressed in a way considered satisfactory by the party presenting the grievance) was almost 100 percent, with an average resolution time of 32 days. A similar performance was reported for the Cebu grievance redress system by Pantawid staff, during the IEG field visit. The total number of grievances received between 2010 and 2014—over 485,000—is considered by a study a very high percentage “indicating that the [grievance redress system] is well known and being widely utilized” (Patel and others 2014, 6). According to an independent study cited by Patel and others, 81 percent of Pantawid beneficiaries that were interviewed were aware of the grievance redress system, and so were 92 percent of the parent leaders and 89 percent of municipal and local government unit links.

4.6 The DSWD developed the MIS for Pantawid and successfully operated it to support payments, verification, updates, and the grievance system. The MIS was originally developed in 2010 and has been progressively enhanced and automated. It serves the functions of keeping an updated list of beneficiaries and related information, monitoring compliance with conditions, and tracking grievances from program beneficiaries and the general public. The MIS operates on a two-month cycle and critically feeds information to the payment system for the release of the grant. Based on the ICR reporting and IEG direct observations at the national, regional, and municipal levels, the MIS has been impressively effective in supporting the Pantawid program (figures C.3 to C.5, shared by DSWD during IEG field visits, illustrate the functioning of the MIS and its position in the broader program management system).

4.7 At project closing spot checks were conducted annually. The ICR indicates that the initial DSWD plan to carry out independent (external) semiannual spot checks during the first two years of project implementation and annually afterward was difficult to maintain because of difficulties in procuring firms and consultants to conduct them. This caused, for example, phase 7 and 8 to be merged rather than being conducted

separately. To solve this issue, DSWD instituted its own spot check system to assess the implementation of the *Listahanan* targeting mechanisms. During the IEG field visit, DSWD reported that the analysis of grievance patterns was used to guide spot checks, to make them more efficient.

4.8 The impact evaluation based on the first follow-up survey was completed in 2013 (World Bank 2014). This evaluation, based on a randomized control trial (RCT) design, provided evidence of positive impacts of Pantawid on children's health and education and, crucially, also helped dispel the notion that transferring cash to the poor could have produced negative results, such as increasing expenditures on alcohol, tobacco, and gambling, discouraging employment among adults, and increasing fertility or domestic violence. This first impact evaluation was followed by a second one, led by DSWD, based on a regression discontinuity design (RDD), released at the end of 2014 (Orbeta and others 2014).

4.9 The family development sessions, though not reflected in the monitoring framework, were an important part of the program and contributed to changing behaviors. Attending the sessions once a month was part of the conditionality, and the ICR and Aide Memoires reported a very high level of compliance (about 98 percent).¹⁵ In IEG's conversations with communities, the family development sessions were regularly cited as one of the main benefits of the program; according to beneficiaries (especially women) the sessions generated not only better knowledge of the topics presented but also a higher level of awareness and "empowerment," including stronger relationships with the community and more active participation in public life. Many key informants interviewed by IEG indicated, however, that the sessions may risk becoming a vehicle for civil society organizations and pressure groups to channel diverse agendas not necessarily functional to the outcomes of the program, as reflected in the increasingly broader set of topics discussed during the monthly meetings. Evaluation of the sessions' impacts has been very limited to date. A recent study using quantitative and qualitative methods of analysis found that beneficiaries see them as a legitimate conditionality, and at the same time they represent an intervention in itself that can bring about positive changes (Piadozo and Ferido 2017).¹⁶

Outcomes

4.10 Pantawid succeeded in increasing school attendance, beyond the original and revised targets. According to the monitoring data reported by the ICR, 96 percent of Pantawid children ages 6–14 years attended school at least 85 percent of the time. This achievement greatly exceeded the target of 81 percent set at project appraisal. The indicator measures compliance with the conditions for children already attending school (as clarified by the third Implementation Status and Results Report; World Bank 2011–

15). The “first wave” impact evaluation, based on an RCT design, confirms that school attendance increased among all age groups (except 3- to 5-year-old children attending preschool). The impact was, however, not as large as per monitoring data. Children 6–11 years old in Pantawid households were attending school regularly 95 percent of the time, versus 91.2 percent of children in poor households not receiving the transfer—a 3.8 percentage point impact. The impact for children 12–14 years old was 4.9 percentage points (96 percent regular attendance for Pantawid children versus 91.1 percent for equally poor non-Pantawid children) (World Bank 2014). The reason for the smaller impact is that attendance rates for non-Pantawid children were much higher than the 76 percent baseline reported in the monitoring data (which was calculated using the Annual Poverty Indicators Survey). Because the RCT did not conduct a baseline survey, another possibility is that the attendance rate for the control group increased during the two-year study period for reasons not attributable to the CCT program.^{17 18}

4.11 Pantawid succeeded in inducing more regular and frequent visits to health clinics, beyond the original and revised targets. At project closing, 94 percent of Pantawid children ages 0–5 years underwent growth monitoring checkups in accordance with Department of Health protocol, surpassing the revised target (87 percent) and indicating great progress with respect to the 63 percent who did at baseline. Again, the impact was smaller according to the impact evaluation studies. The RCT impact evaluation indicates that there was an impressive 15 percentage point difference between Pantawid 0–5-year-old children and equally poor non-Pantawid children attending health centers for regular weighing, although the levels for both groups were much lower than the baseline in the monitoring data (31.9 percent and 16.9 percent). Similar results were found by the RDD study: 19 percent of beneficiary children aged 0–2 were visiting health centers monthly for regular weight monitoring versus 12 percent of nonbeneficiary children, in the band around the poverty line. Even larger impacts were found for children aged 2–5 (49 percent versus 25 percent, a 24 percentage point impact). The reason for the large discrepancy between the M&E baseline level and the frequencies in the impact evaluation studies is unclear.

4.12 In addition to the outcomes monitored through the formal monitoring framework, the impact evaluation studies found other positive impacts on child and mother health. Pantawid children aged 6 months to six years had a greater probability of receiving Vitamin A, according to both the RCT and RDD study, and iron supplementation, according to the RDD study. Both studies found a positive impact for children 6–14 of receiving deworming pills. Mothers in Pantawid households had a higher probability of having postnatal checkups by a skilled health professional (80 percent versus 59 percent) and in a health facility (72 percent versus 55 percent), according to the RCT impact evaluation. They were also more likely to receive antenatal

care at least four times (63.7 percent versus 54.2 percent) and postnatal care at home within 24 hours (23.6 percent versus 14.3 percent). These impacts reflect a change in behaviors induced by the conditions attached to receiving the grant.

4.13 The impact evaluations indicate that the CCT had a positive impact not only on school attendance but also on school enrollment; the results were very dependent on the study and on the age range of the children. The World Bank “first wave” impact evaluation, based on a RCT design, found that enrollment among elementary school 6–11-year-old children in Pantawid households was 97.5 percent as opposed to 93 percent in poor households not receiving the transfer—a 4.5 percentage point impact. The study does not find any statistically significant impact on enrollment for children older than 14. The RDD impact evaluation found instead a positive impact for 12–15-year-old children – 95 percent of those in just-poor Pantawid households were enrolled in school versus 89 percent of their counterparts in households just above the PMT poverty line. No statistically significant impact on enrollment was found in this case for 6–11-year-old children.

4.14 Pantawid had large and positive impacts on enrollment and school attendance of preschool children. The World Bank and the government disagreed about introducing a condition on preschool attendance (the World Bank was against in the field that supply of daycare facilities was uncertain). The condition was introduced on the insistence of the government. According to the DSWD quarterly reports the attendance in day care centers or preschools for 3 to 5-year-old children was over 96 percent (of those monitored) throughout project implementation, indicating that school availability was not an issue even for this group of children. The impact evaluations found a 10.3 percentage point positive impact on enrollment for preschool- and daycare-aged children (aged 3–5 years old) (the RCT: 75.3 percent versus 65 percent) and on preschool regular attendance (the RDD: 94 percent versus 55 percent).

4.15 The Pantawid family development sessions may have affected some dimensions of women’s empowerment. The SWDRP results framework did not have any indicator of gender impacts. Implementation Status and Results Reports track the percentage of female beneficiaries, but this is not particularly informative because the grant was given to women by design (in some contexts, this feature supported women’s higher propensity to spend for their children, but it has also been criticized for reinforcing women’s role as mothers; World Bank 2014b). IEG interviews with beneficiaries and parent leaders cited the family development sessions as a vehicle for discussing family relationships and gender roles and as an opportunity for women to take on leadership roles. A very recent study is congruent with these observations (Mendoza 2019).

4.16 The absence of any statistically significant impact on expenditures for alcohol, tobacco, and gambling, on fertility and domestic violence, and on adult employment is important. The introduction of the CCT generated a concern that the grant would have encouraged “vices” such as alcohol and tobacco consumption, and gambling. These beliefs were not supported by the findings of the impact evaluations. Similarly, there was no decrease in adults’ labor force participation, employment, total work hours, or job search efforts. The grant did not increase fertility either (a maximum of three children are entitled to receive the grant, even as many beneficiaries expressed their disagreement with this rule during IEG field visits) or domestic violence. All these are very positive results.

4.17 No statistically significant impact was found by the impact evaluation studies on household consumption, income, or poverty. The two impact evaluations did not find any statistically significant impact on poverty, though they found shifts in expenditures toward medical expenses, protein-rich food (the RCT), clothing and footwear (the RDD), and education expenses (both studies).

4.18 More recent calculations based on National Household Survey data indicate that Pantawid may have contributed to decrease poverty. Based on an analysis of the 2015 Annual Poverty Indicators Survey, whose results are reported by the 2018 Philippines Poverty Assessment, Pantawid kept nearly 1.5 million poor beneficiaries out of poverty in 2015. These calculations suggest that, without the cash transfer, poverty would have been 5.6 percentage point higher among beneficiaries and 1.5 percentage point higher for the population as a whole (World Bank 2018, 113). Similar figures are reported by Acosta and Velarde (2015) using the 2013 Annual Poverty Indicators Survey. The SWDRP II additional financing paper (World Bank 2019) reports the most recent estimates based on the Annual Poverty Indicators Survey 2017, which suggest a smaller impact on the overall poverty rate (a 0.5 percentage point reduction in 2017). These estimates are based on strong assumptions on all other components of a household’s income or spending patterns remaining unchanged,¹⁹ and they cannot be interpreted in a causal way.

4.19 The underperformance of the program in reducing poverty is disappointing, considering the initial expectations. The project cannot be held accountable for not achieving the anticipated poverty reduction because this was not among its set objectives. Yet, poverty reduction was the main rationale for establishing the program, as discussed in the country development plans, the World Bank’s country strategies, and in all project documents (see the Relevance of Objectives section of this report).²⁰ Simulations conducted before project’s appraisal suggested a positive impact of Pantawid on beneficiaries’ incomes and poverty reduction.²¹ Other simulations conducted using *Listahanan* supported Pantawid’s potential to increase beneficiaries’

household income by 12.6 percent annually (Velarde and Fernandez 2011),²² corresponding to a decrease in the poverty rate by 2.6 percentage points per year, the income gap by 3.6 percentage points, and the severity of poverty by 2.9 percentage points (all in program areas). The simulated effect was even higher among Pantawid beneficiaries (poverty rate: -6.2 percentage points; income gap: -5.3 percentage points; severity of poverty: -4.3 percentage points).²³

4.20 As for all CCTs, the unintended impacts of Pantawid also need to be carefully considered. A recent study on the spillover effects of Pantawid, based on the RCT data, found that, especially in villages with the highest density of beneficiaries, the injection of cash in the village caused the prices of perishable protein-rich food to increase. So, while Pantawid improved nutrition-related outcomes of beneficiary children, it worsened those same outcomes for nonbeneficiary children (some of whom are as poor as beneficiary children and are nonbeneficiaries because of exclusion errors). Stunting increased considerably among nonbeneficiary children (by 11 percentage points and even more in areas with a high density of project beneficiaries); formal health care use by mothers and children also declined among nonbeneficiary households (Filmer, Kandpal, and Onishi 2018). By contrast, another impact evaluation found evidence that Pantawid had reduced the number of incidents of violent insurrection in areas where it had been introduced (Crost, Felter, and Johnston 2016).

4.21 The DSWD effectively supported the program throughout the results chain. Critical assumptions regarding the functionality of program systems needed to be met to ensure that resources and activities generated the right responses by the right beneficiaries to get to the project development outcomes (figure C.5). The DSWD ensured the correct operations of the MIS, the compliance verification system, the grievance redress system, the payment system, and the quality control. An independent process evaluation of the program found that “Overall, ... the 4Ps as a program is able to accomplish its objectives by effectively reaching out to more than 4.4 million beneficiaries. This means that the right beneficiaries are able to receive the appropriate grants according to their degree of compliance with program conditionalities, and that process controls are in place to ensure this. We also note that despite the tight 4Ps timeline and the complex interdependent processes, 4Ps personnel are able to deliver on their respective tasks.” (PricewaterhouseCoopers Consulting 2016).

4.22 Achievement of objective 1 is rated **high**.

Objective 2: Strengthen Effectiveness of the DSWD to Expand an Efficient and Functional Targeting System of Social Protection

Outputs

4.23 At project closing, 25 nationwide social protection programs—and many additional ones at subnational level—were using *Listahanan* to identify their beneficiaries. In October 2009, PhilHealth had signed a memorandum of agreement with DSWD to use *Listahanan* for the PhilHealth Sponsored Program (subsidized health insurance for poor households), thus becoming the second major national program after Pantawid using the registry. A few months later, in March 2010, Executive Order 867 provided for adoption of *Listahanan* as mechanisms for selecting beneficiaries of social protection programs nationwide. The number of programs using *Listahanan* for targeting grew slowly until 2014, then rapidly increased in 2015. In 2018, it was used by 59 national agencies for all major social programs (Velarde 2018).²⁴ One of the major advantages of establishing *Listahanan* as an objective and centralized targeting mechanism was to prevent LGUs from arbitrarily distributing favors in exchange for political support. In a context prone to corruption, *Listahanan* has been described as an effective tool to cut leakage and increase the efficiency of social programs. IEG field visits confirmed that the legitimacy of *Listahanan* as a tool to identify the poor is well established both with LGUs and the broader public.

4.24 The MIS for *Listahanan* was developed and improved. The project supported the creation of a *Listahanan* MIS separate from the Pantawid MIS; it included information for about 11 million households by 2012. The PMT model was progressively improved to enhance targeting accuracy (a new algorithm was developed and applied to *Listahanan* II). The project supported DSWD's capacity to develop important components of the MIS, including routines for data entry, processing, and management (data validation, identification and removal of duplicates, and so on) (see figure C.3).

4.25 At the end of the project, all households identified as poor by *Listahanan* were receiving benefits from at least one social program. Out of the 5.2 million poor households included in *Listahanan*, 4.4 million qualified to receive Pantawid benefits in 2015. Moreover, all 5.2 million households were enrolled in the PhilHealth Sponsored Program. As an increasing number of social programs started using *Listahanan* for targeting beneficiaries, poor households in the registry became beneficiaries of the social pension, the sustainable livelihood program, or the unconditional cash transfer program—to name a few—based on the corresponding eligibility conditions.

4.26 The government of the Philippines approved the Social Protection Operational Framework and Strategy in May 2012. The social protection operational framework (see

figure C.6) was prepared by the Subcommittee on Social Protection (placed under the National Economic Development Authority-Social Development Commission and chaired by the DSWD Undersecretary for Policy and Programs) and benefited from discussions and consultations with civil society organizations, LGUs, and DSWD field offices. It received feedback from presentations in various workshops, which allowed for refining concepts, goals, and strategies for implementing social protection programs and interventions (Villar 2013). The ICR mentions that a consultant was hired with project funds to assist in this process and that “orientations were conducted for the Subcommittee on Social Protection members, the DSWD SP focal persons, nongovernmental organizations, and academe, among others.” (37)

4.27 Neither the ICR nor the last Aide Memoire provide any information on the achievement of two intermediate results: delivering a framework for integrated service delivery and an evaluation of a social protection program besides Pantawid.²⁵

4.28 The specific contribution of the SWDRP to strengthening the institutional capacity of DSWD to assume a leadership role in social protection is widely recognized. The SWDRP, operating in parallel with at least four technical assistance activities (before and during implementation of the project), was effective in supporting the development and enhancement of two key elements of the Philippines social protection system—*Listahanan* and Pantawid. The critical role of DSWD in smoothly operating all the CCT program systems (the MIS, the compliance verification system, the grievance redress system, the payment system, the spot checks) has been noted in commenting on objective 1. Moreover, the ICR highlights that the project contributed to “creat[ing] national policy support for social protection and strengthen[ing] basic institutional capacity of DSWD to assume the leadership role in social protection” (World Bank 2016, 47). As previously discussed, assigning implementation directly to DSWD was critical in building its capacity, and in positioning this government department at the center of the reformed social protection system.

4.29 The DSWD is now facing the challenge to improve coordination across programs. Although there has been a substantial increase in the budget and capacity of DSWD since 2009, an increased effort is required to link databases and monitor data across programs managed by the department, as well as across departments (such as, for example, the Department of Education and the Department of Health).

Outcomes

4.30 The project supported the expansion and update of the National Household Targeting System for Poverty Reduction (NHTS-PR), commonly known as *Listahanan*. This large poverty registry was set up in 2008 using the government’s own money, completed in 2009 with the support of the SWDRP (*Listahanan I*) and updated in 2015

(*Listahanan II*). *Listahanan I* surveyed about 11 million households (almost 60 percent of all Filipino households), of which 5.2 million were identified as poor, after applying the PMT methodology. *Listahanan II*, still in progress at project closing, expanded the registry to 15.1 million households (equivalent to 75 percent of all households in the Philippines) and identified 5.1 million as poor (table C.1).

4.31 *Listahanan* captures a large proportion of the poor, but not all poor households in the country as is stated in the ICR. There are two reasons IEG states that not all poor Filipino households are included in the registry: (i) the registry does not cover the totality of the population, (though the areas that haven't been surveyed are disproportionately urban cities and municipalities with a low poverty incidence);²⁶ and (ii) some groups of the population, such as indigenous populations in remote areas and, especially, the homeless, were not adequately enumerated, which prompted the government to start a "Modified" CCT (MCCT) (see endnote 10). Beneficiaries of the MCCT are identified through local efforts; at project closing there were 238,000 households covered by the MCCT (slightly more than 5 percent of the combined CCT and MCCT beneficiaries), of whom 77 percent were indigenous peoples, 21 percent families with special needs (mostly households affected by disasters), and 2 percent homeless families. There is no evidence that the coverage of these categories in either program is complete.²⁷

4.32 *Listahanan* was able to introduce a more transparent and efficient targeting system, according to various commentators as well as IEG key informants. *Listahanan* is based on objective criteria for the identification of poor households, summarized in the PMT algorithm. Studies have commented on how this targeting system broke the local patronage system and was effective in contrasting corruption and clientelism and cutting the costs of reaching the poor (Kim and Yoo 2015).

4.33 Although *Listahanan II* was expanded and updated in 2015, the new version was not used to revise the list of Pantawid beneficiaries (although it was used for other programs). Neither the project documents nor the key informant interviews provided convincing evidence as to why this was the case. The project team indicated that the parental group in the barangay addresses inclusion and exclusion errors with respect to Pantawid on an ongoing basis. However, this claim is not substantiated by the figures reported by DSWD. The 2015 (fourth quarter) DSWD program implementation status report indicates that between 2009 and December 2015 only 50,000 households were delisted because of inclusion errors, which is minimal when compared with the decrease in the percentage of poor households between *Listahanan I* and *II* (see figure C.1). No information is available regarding households added to Pantawid because of exclusion errors in *Listahanan*. *Listahanan II* was, however, used by other social programs, for example PhilHealth.

4.34 Achievement of this objective is rated **high**.

5. Efficiency

5.1 The use of *Listahanan* has increased efficiency in administering social programs thanks to better targeting. *Listahanan* has better targeting performance than previous targeting systems. The ICR reports that leakage from the universal rice subsidy program to the non-poor (inclusion error) was 60 percent in 2009; for PhilHealth insurance it was 85 percent in 2010. By contrast, the targeting performance of *Listahanan* I is remarkably higher. *Listahanan* has also good targeting performance with respect to other CCT programs, as shown in World Bank (2015) (figure C.2). Moreover, Velarde (2018) indicates that the ex ante exclusion and inclusion errors in *Listahanan* I were relatively modest, at 18 percent and 45 percent. Kidd and Athias (2019) show that Pantawid was the most effective program in reaching the poorest 20 percent of its intended category, that is, households with children: it reached more than 50 percent of this group.²⁸

5.2 The cost of *Listahanan* is minor with respect to the benefit achieved thanks to better targeting. The cost for each household assessed was estimated at \$4.30 in 2013 (World Bank 2016, 21), which is more than compensated by the improved targeting performance (a Pantawid beneficiary household can receive up to PhP 16,800 or \$378 a year, at the December 31, 2013 exchange rate). The efficiency of *Listahanan* is clearly directly proportional to the number of programs using it.

5.3 The revision of the PMT model for *Listahanan* II has the potential to further increase the efficiency of the CCT. The new PMT model allowed for a drastic reduction of both ex ante exclusion and inclusion errors to 8 percent and 13 percent, although an out-of-sample robustness check showed that the new models have not been able to achieve lower ex post errors compared with the old models (Velarde 2018). The enumeration costs were also greatly reduced, thanks to a revision of validation procedures and the use of tablet-aided enumeration in addition to pen and paper. Moreover, the new PMT is more sophisticated than the previous version, so it may increase the integrity of the targeting system; it is more difficult for households to learn which characteristics are associated with predicted poverty and fake them to become eligible for benefits (Velarde 2018).

5.4 Because Pantawid is still targeting beneficiaries according to *Listahanan* I, the greater efficiency allowed by *Listahanan* II has not materialized. *Listahanan* II is both more accurate (so that errors of inclusion are fewer than in the previous version) and updated (reflecting movements in and out of poverty between 2009 and 2015). Considering the size of Pantawid, this represents a substantial efficiency loss.²⁹

5.5 Pantawid also showed a good cost-benefit ratio. Figures reported in the ICR indicate that in 2013, the cost for the government to deliver PhP100 was PhP10.1 (including the costs to administer *Listahanan* and the CCT program's administrative costs). This was much less than the cost of delivering the rice subsidy program (PhP68.4). The private costs to the beneficiaries are difficult to estimate, but as a rule the direct costs (to travel to the Land Bank branch, for example, or to the closest grant distribution point) need to remain within the PhP100 limit (bimonthly; that is, each time the benefit is collected).³⁰ IEG interviews with beneficiaries indicate that this rule is generally enforced, although beneficiaries often face high indirect costs, especially in rural areas (that is, they use a large portion of their day to cash the benefit).

5.6 Administrative costs decreased over time. For Pantawid, the cost of targeting, information systems, and other administrative costs in 2009 represented 18 percent of the total annual program budget and progressively decreased to 8–10 percent, in line with international evidence. For *Listahanan*, in 2009 and 2010 the cost was 11 percent and 7 percent of the budget of Pantawid, respectively, but in 2011–13 it oscillated between 0.1 percent and 0.5 percent of the CCT budget (ICR).

5.7 The overall efficiency rating is **high**.

6. Ratings

Outcome

6.1 The overall outcome rating is **highly satisfactory**. The relevance of the project objectives is rated high, because the program was and remained fundamentally relevant to the conditions and the strategic objectives of the country. The relevance of project design is rated high, because the design reflects a well-articulated logic linking project activities to output and outcomes. Achievement of the first objective—strengthening the capacity of DSWD to implement Pantawid—is rated **high**, because the project was able to help DSWD to rapidly scale up the CCT to become the third largest in the world and operate a complex set of interdependent systems (MIS, compliance verification, grievance redress system, payment, quality control) to regularly reach out to the right beneficiaries. Achievement of the second objective—to help DSWD as a social protection agency to expand an efficient and functional poverty registry—is also rated high, because *Listahanan* has become a credible and widely used tool for poverty targeting in the Philippines and DSWD has grown in size and capacity to manage several social protection programs. This report includes observations regarding achievements that were below expectations, but these are either common to CCTs (the inclusion and exclusion errors, the presence of spillovers) or not dependent on the project (supply-side quality limitations, the political decision not to update the grant). In general, there is no

doubt that the achievements of Pantawid have been impressive. Efficiency is also rated high.

Risk to Development Outcome

6.2 The risk to development outcome is substantial. When the project closed, a new government administration was about to take charge, in July 2016. The political transition proved to be challenging for Pantawid as DSWD experienced many leadership changes, which introduced uncertainties regarding the strength of the program's political ownership. During the IEG mission, a law providing legal recognition to Pantawid had been approved only by the House (in August 2018); the lack of institutionalization of Pantawid was repeatedly indicated as a reason for concern. The CCT program has been now institutionalized. The Republic Act 11310, enacted on April 17, 2019, provides legal status to the program and manifests the Duterte government's buy-in. The new law establishes that DSWD is mandated to implement the CCT program every year and allocates funds for Pantawid under the annual national budget, which will provide much more guarantee of continuation and predictability.

6.3 A threat to development outcomes can, however, come if the program does not evolve quickly enough to meet the Philippines' socioeconomic challenges. After an initial phase of rapid expansion, Pantawid seems to go through a stagnation phase. The updated *Listahanan II* has not been used to revise the list of beneficiaries. The conditions have not been revisited either, after the extension of the education grant to children 14 to 18 years old. The benefit amount has never been adjusted in more than 10 years and has lost value in real terms, raising questions about its adequacy in fighting poverty. The program did contribute to changing behaviors, but the poor achievements in maternal mortality, stunting, and learning outcomes call for an assessment of how it may be modified to address these problems. Continuous evaluation is required to keep such a large and expensive program effective and efficient.

Bank Performance

Quality at Entry

6.4 The project preparation built on preexisting Bank Group-DSWD collaboration between the World Bank and DSWD in promoting social protection reforms and designing the CCT, as well as experience in designing and implementing similar projects in other countries. A Japan Policy and Human Resources Development Trust Fund (the National Sector Support for SWDRP, TF056971) that ran for almost three years (from September 2006 until June 2009) before project appraisal contributed to the formulation and design of a national reform agenda for DSWD. The grant funded the setup of the

targeting system to support the CCT and several activities aimed at positioning DSWD as a leader in social protection.³¹

6.5 An Australian Aid–funded nonlending technical assistance activity (P111296) effectively supported SWDRP preparation work.³² The Good Governance and Anti-Corruption in a Conditional Cash Transfer Program technical assistance arrangement had the objective of anticipating and mitigating specific forms of corruption and administrative errors in the implementation of the CCT. In particular, the technical assistance aimed at (i) minimizing risks of corruption and resource leakage in targeting (through recalibrating the PMT model); (ii) minimizing corruption risks in program implementation (through an analysis of vulnerabilities in other transfer programs); (iii) supporting elements in the design of the MIS for ongoing control of program integrity (for example, with respect to compliance with conditionalities); (iv) developing program-level control and accountability measures (such as spot checks and complaint resolution mechanisms); and (v) enhancing department-wide control and accountability measures (such as DSWD department-wide integrity development reviews).

6.6 These activities were cited by IEG key informants as having contributed in a fundamental way to good project preparation. They allowed the World Bank to correctly identify project risks and adopt appropriate mitigating actions. Thanks to these activities the World Bank was able to help the DSWD to design, develop, and pilot the CCT program in 2008 and, during this phase, properly address issues critical to a good design and implementation plan for the SWDRP, such as putting in place a transparent targeting system, including spot checks for quality control, setting up at an early stage a well-conceived M&E framework and a grievance redress mechanism, rolling out a communication campaign to counter a general skepticism against the CCT, and provide training and capacity building to DSWD.

6.7 The World Bank did not anticipate problems with beneficiaries having access to payments. The assumption at design was that Land Bank could deliver cash to “most” beneficiaries, when in fact Land Bank had a smaller capacity of what was required to serve CCT beneficiaries adequately.

6.8 Quality at entry is rated **satisfactory**.

Quality of Supervision

6.9 Bank performance on quality of supervision was **satisfactory**. Biannual supervision missions were regularly conducted by the project team in coordination with other development partners (such as the Asian Development Bank and Australia Aid). These missions included field visits in different parts of the country, which allowed gathering firsthand information on project implementation and performance. Reporting

on back-to-office reports, Implementation Status and Results Reports, and aide-mémoire was timely and complete.

6.10 Overall Bank performance is rated **satisfactory**.

Borrower Performance

Government Performance

6.11 The government's performance was satisfactory throughout the project cycle. The government was highly committed to the project, engaged in a deep and productive collaboration with the World Bank, and placed high stakes on the results. The SWDRP became effective in February 2010, later than originally planned because the World Bank and the government were negotiating a development policy operation in response to the 2008 global financial crisis. For this reason, the government funded the piloting of Pantawid and the setup of *Listahanan* I with its own budget. Key government leaders, interviewed by the IEG team, demonstrated a deep knowledge of the program and SWDRP and spoke about their profound commitment to and enthusiasm with the project, which was also reflected in the relationship that they established with World Bank staff at the technical and strategic levels.³³

6.12 By establishing *Listahanan* and Pantawid, the government invested in establishing a modern social protection system. The government devoted an increasing amount of resources to set up a registry, a large-scale CCT program, and a proper social protection system. In 2010 the Pantawid budget was 0.1 percent of GDP, which increased to 0.4 percent in 2013 and 0.5 percent in 2015. Similarly, the DSWD's budget increased from 0.05 percent of GDP in 2007 to 1 percent of GDP in 2015, when DSWD established itself as a leading social protection agency, endowed with more staff, capacity, and resources than ever before.

6.13 Minor shortcomings are noted in regulating payment arrangements. At project's inception, government regulations only allowed payments to be processed through Land Bank (owned by the government), which restricted access to the grant in remote areas. The problem was addressed by engaging additional conduits, but insufficient incentives made procurement of conduits difficult.

Implementing Agency Performance

6.14 The performance of DSWD, the implementing agency, is rated **satisfactory**. DSWD successfully designed and implemented the CCT program, institutionalized partnerships with other government agencies (especially the Department of Health and the Department of Education) and LGUs, and established the MIS and other program

systems. DSWD's strong investment in additional staff and capacity building activities allowed maintaining institutional and financial management capacity to sustain the extremely rapid expansion of the program. During the life of the project, DSWD grew from a small department to the leading agency in social protection, with enough capacity to manage a massive poverty registry, the third largest CCT program in the world, and several other social programs. Its motivated staff regularly joined all supervision missions, field visits, and training. During field visits, IEG could appreciate the high level of professionalism, enthusiasm, and commitment of both the national and regional DSWD staff. The assistance provided by the regional team during field visits also showed the strong recognition by local communities—at the municipal and barangay level. During the life of the project, DSWD was able to internalize several functions, including functions in financial management, procurement, monitoring, and evaluation. DSWD took the lead in preparing the 2014 impact evaluations.

6.15 When faced with difficulties in procuring external consultants to conduct spot checks, the DSWD found effective solutions. Only six of the planned eight spot checks were completed due to delays in procurement and internal coordination issues. DSWD eventually agreed to institute its own spot check system, by funding spot checks and using them to investigate issues beyond their original purpose.

6.16 Overall borrower performance is rated **satisfactory**.

Monitoring and Evaluation

Design

6.17 The choice of the project development objectives and intermediate results indicators was appropriate, albeit output oriented. Indicators captured the main activities but were either outputs or the results of compliance with program conditions. Original targets were not ambitious, and, in some cases, they were very close to the levels already achieved when the baseline was defined. Quite appropriately, some targets were revised upwards at the time of additional financing (table C.5).³⁴

6.18 The SWDRP M&E was resting on a strong monitoring information system. The risks of fraud and corruption in administering a CCT program—especially in a high-risk environment like the Philippines—demanded an especially robust monitoring system, which had several components. The project M&E included indicators derived from three main sources of information: (i) program administrative records and the MIS systems; (ii) spot checks to be carried out by independent, external parties; and (iii) national household surveys, such as the Family Income and Expenditure Survey (World Bank 2009b). Monitoring was to rely on the preparation of regular (quarterly and annual)

progress reports, midterm and annual reviews, and independent performance tracking by civil society groups (through an Independent Monitoring and Advisory Committee)³⁵ and monitoring by internal audit services. Moreover, impact evaluation studies were to complement the indicators included in the monitoring framework, providing evidence on the impacts of Pantawid on development outcomes.

6.19 The main components of the MIS—the *Listahanan* MIS and the Pantawid MIS—were robust and well conceived. A MIS was developed for *Listahanan*, supporting the targeting mechanism (data collection, quality control procedures, validation routines, processing, estimation of the PMT, and selection of poor households) with the objective of creating and maintaining a standardized database of poor households. A separate MIS was developed for Pantawid, to support all the operational activities, including verification of conditionalities, updates on beneficiaries, managing payments, and implementing a grievance system. These systems were already in embryo at the start of the project—the program was already in a piloting phase—but were to be further developed and automated. The project was also to strengthen the M&E capacity of the NPMOs for Pantawid and *Listahanan*.

6.20 The decision to devote a substantial share of the funds of component 1 to the update of *Listahanan* 2015 was not adequately reflected in the update of the indicators at the time of processing the additional financing. Because of delays in the project becoming effective, the government funded *Listahanan* 2009 with its own funding. For this reason, a substantial amount of funding was re-allocated from implementing *Listahanan* to updating *Listahanan*. The ICR comments that this modification was not formally captured in the revision of the indicator at the time of additional financing, as it should have been. This could have made clarity on an issue (the use of *Listahanan* II) that was relevant to improving Pantawid's targeting.

Implementation

6.21 The project M&E was implemented as planned and regular Implementation Status and Results Reports were produced with updates on project achievements. The Pantawid and *Listahanan* MIS were enhanced and finalized during the initial stage of the project. Some understandable delays were experienced in assessing some of the indicators regarding compliance while the computerized compliance verification system was being put in place—which happened in the first quarter of 2010 (Implementation Status and Results Reports 2 and 3; World Bank 2011–15). Weekly monitoring reports by the Pantawid project M&E department provided information on program coverage, compliance with conditions, payment of grants to beneficiaries, and the status of grievances and their resolution, all of which fed into the SWDRP M&E. Beneficiaries could be described by sets and by geographic regions, and program data could be

disaggregated by sex, age group, and specific vulnerable groups like indigenous groups or disabled beneficiaries (World Bank 2016, 11). Six rounds of external spot checks were conducted, biannually at first (as originally planned). The sixth phase of spot checks, in 2013, experienced delays when DSWD encountered difficulties in contracting external independent consultants. Eventually DSWD internalized the spot check system and committed to conducting annual checks. Two impact evaluations were finalized, one in 2013, based on a RCT design, and one in 2014, based on a RDD.

Use

6.22 The regular monitoring functions allowed the DSWD to monitor the *Listahanan* and Pantawid's implementation, spot anomalies, and adopt corrective measures. The MIS allowed DSWD to detect irregularities in registration and delisting and deactivation of beneficiaries, as well as changes in compliance rates. The MIS results prompted DSWD to make adjustments to the project, such as revising the targets associated with conditionality compliance at additional financing.

6.23 Spot checks were able to detect issues related to project implementation and inform policy decisions to address them. The ICR provides two examples. In one case, the initial rounds of spot checks in 2010 highlighted a large bottleneck in the program concerning payments, which was addressed by introducing alternative payment methods in addition to Land Bank (World Bank 2016). In another case, spot checks in two municipalities in the Autonomous Region in Muslim Mindanao uncovered serious irregularities that were addressed by introducing the use of biometric authentication for payouts to beneficiaries in that region.

6.24 Impact evaluation results were widely disseminated and established the effectiveness of the program and its strategic importance. The two impact evaluations conducted during program implementation and promptly disseminated³⁶ confirmed that Pantawid had statistically significant impacts on development outcomes, especially on some education and health dimensions. These results were critical in establishing the strategic importance of the program and its political legitimacy and informed the design of the second phase of SWDRP.

6.25 The quality of M&E is rated **high**.

7. Lessons

7.1 The success of a large, nationwide social protection program like Pantawid lies in creating and strengthening the operational and institutional systems needed to support it. SWDRP supported not just the CCT (as in funding the grants), but also first and foremost the creation of the poverty registry—a critical tool for targeting and providing

credibility to the program—and the government's capacity to manage and sustain such a large program. Thanks to its solid institutional base, Pantawid expanded much more quickly than originally anticipated and more quickly than in any other country in the world—and became the third largest CCT in the world (behind Brazil and Mexico), in terms of population coverage. The adoption of a systemic approach was one of the keys to the project's success.

7.2 Strong government ownership is critical to establishing and sustaining ambitious programs like Pantawid. Pantawid is a very good example of many elements coming together in a successful way: country conditions conducive to introducing a major social protection program, the World Bank's solid expertise in establishing CCTs, and the government's strong buy-in. This last element, in particular, ensured that a new targeting mechanism could replace the traditional patronage system and has protected the program from the initial general skepticism. The government commitment was also manifested in the amount of human and financial resources mobilized to strengthen its capacity to absorb the new program and manage it according to best practice. The recent institutionalization of the program, which has been recognized by law, is an indication that the current administration continues to assign Pantawid a central position in the Philippines social protection system.

7.3 The World Bank's ability to bring global knowledge to bear and skillfully deploy a full technical engagement was key to success. Despite the \$500 million loan provided by the SWDRP, the critical contribution by the World Bank was not really the financial part. The government eventually brought to the table 10 times the amount it borrowed. The key World Bank contribution was the technical assistance—the expertise, the training, the know-how—that was mobilized through the project, but also trust-funded activities before and after the start of the project; these turned out to be crucial for preparatory work and continued technical support throughout implementation. The support of the World Bank was especially critical in designing and implementing *Listahanan*, the PMT, and the conditionalities, and in carrying out the impact evaluations. Moreover, complementing the project with smaller technical assistance enabled expertise to be brought in ad hoc for very specific but critical technical issues (such as addressing corruption).

7.4 Continuous M&E are essential to maintaining CCT programs like Pantawid and ensuring their ongoing evolution. A fundamental contribution of the World Bank was the creation of a highly sophisticated MIS and the introduction of an evaluation culture to support the program. The MIS regularly ensures that Pantawid beneficiaries receive the appropriate grant, based on their compliance with conditionalities. To do so, the MIS is constantly updated to regulate complex interdependent processes. At the same time,

evaluation of processes and results is needed to inform the government of changes required to keep the program effective.

7.5 The quality of education and health services, not just their use, is critical to achieve the expected gains in human capital. Like all CCTs, Pantawid acts on the demand side. The project's conditionalities, such as the family development sessions have been fundamental in bringing about behavioral change. The program was indeed quite effective in changing attitudes and behaviors, increasing school attendance and supporting regular visits to health clinics. It has not been as effective in changing development outcomes, such as learning, stunting, or maternal mortality. These outcomes, however, crucially depend also on the quality of services provided. Supply-side conditions need to operate in conjunction with incentives on the demand side (such as Pantawid conditionalities) to achieve gains in human capital.

7.6 As for all CCTs, a graduation strategy is essential to ensure that the program delivers on longer-term benefits and acts as a stepping-stone into more stable livelihoods. Pantawid had negligible impact on household expenditure. To the extent that poverty is one of the root causes of school drop-outs the grant amount needs to be adjusted for the income effect to continue to operate. This adjustment needs to go hand in hand with efforts to reduce exclusion errors to ensure that the program serves the right beneficiaries. Eventually, the program will need to address more forcefully the issue of program graduation, which is about equipping individuals with a new mind-set and skills that facilitate a transition into productive activities so they can hope for a better future for themselves and their children.

¹ Ms. Corazon "Dinky" Soliman was the Department of Social Welfare and Development (DSWD) Secretary from 2001 to 2005 and then again from 2010 until 2016. Dr. Esperanza Alcantara Icasas-Cabral was the DSWD Secretary between 2005 and 2010, when she became Secretary of the Department of Health.

² President Benigno S. Aquino came into power in June 2010, winning with a large margin, on a platform focusing on good governance, anti-corruption, and poverty reduction.

³ The consultations and the client survey conducted by the World Bank for the preparation of the fiscal year (FY)10–12 Country Assistance Strategy identified access to education, health, and other social services at the grassroots level, as well as access to social protection, among the top priorities. Though there were no objections to World Bank support for social protection in general, the participants' preference was, however, for conditional cash transfer (CCT) programs to be implemented by municipal local government units (closer to the ground) than provincial

local government units. Participants also expressed support for improving statistical systems, poverty maps, and targeting mechanisms as planning and development tools for more responsive programs (World Bank 2009a, annex 4).

⁴ “The social development sector shall focus on ensuring an enabling policy environment for inclusive growth, poverty reduction, convergence of service delivery, maximized synergies and active multistakeholder participation. Priority strategies include the following: (i) attaining the Millennium Development Goals; (ii) providing direct CCT to the poor; (iii) achieving universal coverage in health and basic education; (iv) adopting the community-driven development approach; (v) converging social protection programs for priority beneficiaries and target areas; (vi) accelerating asset reform; (vii) mainstreaming climate change adaptation and disaster risk reduction in social development; (viii) mainstreaming gender and development; (ix) strengthening civil society-basic sector participation and public-private partnership; (x) adopting volunteerism; and (xi) developing and enhancing competence of the bureaucracy and institutions”(PDP 2011–16).

⁵ The denomination of both the CCT and the poverty registry has changed over time. At project appraisal, the CCT is referred to as Pantawid Pamilyan Pilipino Program, or 4Ps. It is now popularly known as “Pantawid.” The technical name of the poverty registry is National Household Targeting System for Poverty Reduction (NHTS-PR), now commonly known as “*Listahanan*.” This report will use Pantawid and *Listahanan* to refer to the CCT and the poverty registry even with respect to historical periods when these two denominations were not yet in use.

⁶ The actual amount includes both components 1 and 3, because the Implementation Completion and Results Report does not provide separate figures at project closing.

⁷ Many Independent Evaluation Group (IEG) key informants referred to initiatives promoted by the World Bank to familiarize the government with the conditional cash transfer approach. In particular, the World Bank had government officials attending the Third International Conference on Conditional Cash Transfers in Istanbul in 2006 and going on study visits in Colombia and Brazil. Although the Asian Development Bank provided a similar amount of funds to the government, the leading role of the World Bank was widely recognized.

⁸ In the case of education, direct costs are represented by education fees, indirect costs by textbooks, uniforms, and so on., and opportunity costs by the value of child labor. In the case of Philippines, education is free, so there are no direct costs; however, especially for poor families, indirect and opportunity costs could be quite high.

⁹ The existence of supply constraints is also one of the potential complaints to be channeled through the grievance redress system; it is, however, unclear which responses the program can take in cases of verified supply constraints.

¹⁰ The Asian Development Bank funded set 3.

¹¹ For example, the Aide Memoire June 29–July 14, 2015 reports that, during a field visit in Coron Island, it was brought to the attention of the mission that indigenous peoples have a different concept of land ownership than nonindigenous peoples. For indigenous peoples, ancestral land is

a shared asset of an indigenous community. The World Bank's mission team signaled this issue as one to be addressed during the revision of the Proxy Means Test (which includes an indicator of land ownership) to ensure that the concept was appropriately captured.

¹² The modified CCT (MCCT) includes beneficiaries who are not covered by the regular CCT, such as homeless street families, the victims of natural and manmade disasters who are rendered homeless and with no means of livelihood, and indigenous peoples in geographically isolated and disadvantaged areas. The potential beneficiaries of the MCCT are identified through a mapping based on data from civil society organizations, local government units, and other data sources. A screening against the Pantawid list of beneficiaries is conducted to prevent duplication of beneficiaries. The MCCT beneficiaries are subject to the same benefits and conditions as those in the regular CCT scheme. There is an extra benefit for homeless families, to cover their housing needs. Moreover, MCCT cash grants are released once a month rather than bimonthly. The MCCT is not supported by World Bank money.

¹³ According to the United Nations Development Programme, the figures are about 14–17 million indigenous peoples (UNDP 2010).

¹⁴ Before FY12, the condition was stricter; households were considered regular recipients if they received the grant every single month.

¹⁵ The family development sessions were designed to discuss topics such as child health, parenthood, gender issues, home and financial management, and livelihood development, as well as topics less immediately related to the CCT theory of change, such as disaster risk management and community and environmental protection.

¹⁶ This study found that the family development sessions have the highest impact on behavioral changes in the areas of child rights and protection, active citizenship, health and nutrition, and education. Moreover, a grant provided through the Global Partnership for Social Accountability funded an i-Pantawid project implemented by local civil society organizations that trained parent leaders in social accountability and active citizenship with the purpose of increasing their leadership skills and to cascade these principles to their groups (Guarding the Integrity of the CCT Program, P147890). This project reported success in increasing parent leaders' participation in community affairs and empowering them to become effective community leaders.

¹⁷ The randomized control trial impact evaluation study did not have a baseline survey, but it defined comparable treatment and control areas before the start of the program (World Bank 2014). When surveyed (at endline, in 2013) about 91 percent of poor non-Pantawid children aged 6–14 years who were enrolled in school were attending school regularly (that is, more than 85 percent of the time), a percentage much higher than the 76 percent baseline of the monitoring framework.

¹⁸ It is worth stressing that the different results between the randomized control trial and the regression continuity design study are partially owing to the different methodology; the regression continuity design only measures the impact for beneficiaries immediately below the proxy means test poverty line.

¹⁹ Essentially, these are simulations of what the poverty measures would be if the cash transfer was taken away from beneficiaries, everything else being left unchanged.

²⁰ Raquiza (2018) makes the point that poverty was indeed a goal of Pantawid, and that “rather than deny that poverty reduction was one of the objectives in the short term, government should just readily admit that this goalpost has been shifted from the short to medium and even long term” (276).

²¹ According to estimates presented in the Project Assessment Document, based on the 2008 Household Assessment Form survey, Pantawid was expected to increase the incomes of poor and eligible households by 23 percent on average and to reduce poverty incidence in targeted areas by 6.1 percentage points (World Bank 2009b, annex 9).

²² These simulations use the universe of beneficiary households in *Listahanan* to predict the pre- and posttransfer income, based on these assumptions: the predicted income is calculated using the proxy means test model, the transfer used to obtain the posttransfer income is the actual average program transfer of Php 6,200 (\$148), the level of compliance with conditionalities is set at the average. Under the assumption of full compliance, the level of income could be increased by 17 percent.

²³ Evidence is mixed on whether conditional cash transfers can decrease poverty, although most studies find a positive impact on household consumption. A meta-analysis conducted by the Overseas Development Institute found that of 35 studies that measured the impact of cash transfers on total household expenditure, 26 found a significant effect (25 a positive effect; Bastagli and others 2016). A similar finding is also presented by Kabeer and Waddington (2015). The Overseas Development Institute study also found that very few studies measured the impact on poverty, and of those only two-thirds found a statistically significant impact (a large positive impact on total household expenditure is needed to observe a decrease in aggregate poverty), in all cases but one in the direction of reducing poverty.

²⁴ According to Velarde (2018), the *Listahanan* database has been used by 59 national agencies, including the conditional cash transfer program of DSWD, social pension for poor elderly, and the PhilHealth subsidized health insurance. It has also been shared with 1,095 local government units, 56 civil society organizations, 34 legislators, and 15 universities and research institutions.

²⁵ The ninth Implementation Status and Results Report mentioned that a “Rapid Assessment of Core Shelter Assistance Program” was completed and disseminated in September 2015; a rapid assessment of Pantawid was completed in 2012. However, IEG was unable to locate these assessments and the Implementation Completion and Results report does not report on those.

²⁶ *Listahanan* prioritized for data collection the poorest municipalities and cities according to the 2003 poverty map estimates to maximize coverage of the poor.

²⁷ Moreover, IEG believes that the baseline and target values for the outcome indicator “Share of all poor households registered in the NHTS-PR” are inaccurate for two reasons. First, the baseline is constructed using the total number of Filipino families as a reference (4.68 million according to the official poverty statistics—see National Statistical Coordination Board 2011, which reports the number of poor Filipino families in 2006 using the old methodology, the one available when the

project appraisal document was prepared), but *Listahanan* (I and II) only surveyed part of the Philippines. Second, the national poverty line and the proxy means test are two different definitions of poverty that are not directly comparable. Refer also to the previous discussion as far as the coverage of indigenous peoples is concerned.

²⁸ The main message of this study, though, is that the targeting performance of conditional cash transfer programs is dismal across the board: “the results demonstrate a mass failure of poverty targeting across low- and middle-income countries. In programme after programme, the majority of both the intended recipients and the poorest members of society were excluded from social protection.” (Kidd and Athias 2019, 25).

²⁹ Not using the updated *Listahanan* represents not only an efficiency loss but also a loss in efficacy, especially in the presence of spillovers. The previously mentioned study on the general equilibrium effects of Pantawid suggests the presence of negative spillovers, whereby resources are involuntarily spent to worsen development results of some groups (Filmer, Kandpal, and Onishi 2018).

³⁰ To keep the costs within this limit, the project management committed to use conduits located closer to communities.

³¹ Among the activities funded were the medium-term expenditure plan; a report on risk and vulnerability analysis; an inventory of existing social protection services; a proposal for the institutional development and capacity building framework; an analysis of the monitoring and evaluation system of DSWD; a strategic social marketing plan; a training of reform focal persons; and a series of national and regional consultations with multistakeholders. The medium-term expenditure plan served as a basis for the DSWD’s budget proposal for 2009–13 and provided the required budget ceiling for the World Bank–assisted projects to come, according to the Grant Reporting and Monitoring report. The grant was \$500,000 of which \$400,000 were spent.

³² This activity was channeled through an Externally Financed Output of Australian \$396,992.54 and covered the period May 2008–June 2009.

³³ IEG has found testimony of their involvement in many documents related to project reporting, presentations, field visits, workshops, and conferences.

³⁴ The targets of two project development objective indicators were increased: the share of children 6–14 years old in poor beneficiary households attending school at least 85 percent of the time (from 81 percent to 95 percent) and the share of children 0–5 years old undergoing growth monitoring and checkups in accordance with Department of Health protocol (from 68 percent to 87 percent; World Bank 2012).

³⁵ This committee was to include eminent members of civil society, academics, and former senior government officials.

³⁶ It is worth highlighting that both impact evaluations were finalized and disseminated when the Social Welfare Development Reform Project was still ongoing, which is not the norm for projects that plan an impact evaluation.

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Appendix A. Basic Data Sheet

Philippines: Social Welfare and Development Reform Project (IBRD-78050, IBRD 82180)

Table A.1. Key Project Data

Financing	Appraisal Estimate (\$, millions)	Actual or Current Estimate (\$, millions)	Actual as Percent of Appraisal Estimate
Total project costs	405.00	505.00	124.69
Loan amount	405.00	505.00	124.69

Table A.2. Cumulative Estimated and Actual Disbursements

Disbursements	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Appraisal estimate (\$, millions)	100.90	180.90	258.70	356.18	405.00	405.00	405.00
Actual (\$, millions)	58.78	123.42	188.79	322.74	396.22	485.69	403.74
Actual as percent of appraisal	50.33	68.23	72.98	90.66	97.82	119.92	124.38

Date of final disbursement **May 23, 2016**

Table A.3. Project Dates

Event	Original	Actual
Concept review	12/29/2006	02/23/2008
Negotiations	01/15/2008	08/17/2009
Board approval	03/31/2008	11/17/2009
Signing		01/07/2010
Effectiveness	04/07/2010	02/19/2010
Closing date	06/30/2014	12/31/2015

Table A.4. Staff Time and Cost

Stage of Project Cycle	World Bank Budget Only	
	Staff time (no. weeks)	Cost^a (\$, thousands)
Lending		
FY06	7.63	57,651
FY07	27.85	141,571
FY08	40.06	232,493
FY09	34.55	180,387
FY10	43.6	129,859
FY11	7.11	8,580
FY12	0	1,366
Total	160.8	751,907
Supervision or ICR		
FY10	17.5	87,705
FY11	53.98	175,292
FY12	75.49	311,958
FY13	50.12	148,862
FY14	41.82	79,486
FY15	23.31	83,091
FY16	23.35	86,375
Total	285.57	972.769

Note: ICR = Implementation Completion and Results Report.

a. Including travel and consultant costs.

Table A.5. Task Team Members

Name	Title^a	Unit	Responsibility or Specialty
Lending			
Jehan Arulpragasam	Country Sector Coordinator	EASHS	Task Team Leader-
Maria Loreto Padua	Social Development Specialist	EASPS	-
Lynette Perez	Education Specialist	EASHE	-
Luisa Fernandez	Extended Term Consultant	EASHS	-
Rashiel Velarde	Extended Term Consultant	EASHS	-
Supervision or ICR			
Nazmul Chaudhury	Country Sector Coordinator	EASHS	Task Team Leader
Aleksandra Posarac	Program Leader	EACPF	Task Team Leader
Pablo Acosta	Senior Economist	GSP02	Task Team Leader
Rashiel Velarde	Economist	GSP02	
Thomas Vaughan Bowen	Social Protection Specialist	GSP02	

Name	Title ^a	Unit	Responsibility or Specialty
Yuko Okanura	Economist	GSP02	
Junko Onishi	Senior Social protection Specialist	GSP04	
Maria Loreto Padua	Senior Social Development Specialist	GSU02	
Aisha de Guzman	Financial Management Specialist	GG020	
Rene Manuel	Senior Procurement Specialist	GG008	

Note: ICR = Implementation Completion and Results Report.

a. At time of appraisal and closure, respectively.

Table A.6. Other Project Data

Borrower or Executing Agency

Follow-on Operations

Operation	Credit no.	Amount (\$, millions)	Board Date
Social Welfare and Development Reform Project II	IBRD-85840	450.00	02/19/16

Appendix B. Methodology

Evaluation Questions, Data, and Collection Methods

This Project Performance Assessment Report (PPAR) seeks to shed light on the effectiveness and elements of success of the Social Welfare Development Reform Project (SWDRP), as well as the role of the World Bank in contributing to the project's results. In addition to the standard evaluation questions consistent with PPAR methodology guidelines (relevance, efficacy, efficiency, sustainability), the field-based assessment sought to answer the following questions:

- **What have been the outcomes of the project**, including those explicitly identified in the project results framework, those identified by beneficiaries, and those identified in analytical studies? In particular, the CCT was presented as a poverty reduction program, with short- and medium-term impacts (that is, with the potential of increasing current expenditure as well as decreasing future poverty by supporting investments in children's human capital). The two goals are not competing but rather reinforce each other, and one of the PPAR's goal was to explore how the two were balanced.
- **What were the elements that made the Pantawid program and the SWDRP supporting it a success story?** Pantawid has been praised as a success story and IEG Implementation Completion and Results Review confirmed the highly satisfactory rating of the Implementation Completion and Results Report. Indeed, when the CCT was conceived, in 2007, the social protection system in the Philippines was described as "a series of fragmented and uncoordinated programs... result[ing] in poor coordination, redundancy in providing services or overlapping of program beneficiaries" (Philippines Development Plan 2011–16, 245). The Department of Social Welfare and Development was a small government agency and the country's national government spending on social protection was only 0.8 percent of GDP. In a few years, the conditional cash transfer and the SWDRP turned this situation around. Considering the high level of sophistication required to set up successful social protection systems, one of the PPAR's goals was trying to establish the key elements of success.
- **What was the World Bank's additionality?** Over its life, the SWDRP supported a government program that was going to receive a government financial allocation more than 10 times larger than the World Bank's contribution and 40 times larger than the original government commitment. Moreover, the SWDRP was approved after the government had already piloted the project and committed to scale it up to 1 million households. So, what was really the contribution of the World Bank?

The main data sources and collection methods used in this PPAR were the following:

Review of external academic and policy literature: published articles, working papers, and a selection of gray literature;

Analysis of government's plans and World Bank country strategies;

Analysis of project documents produced by the World Bank and by DSWD, in relation to design, implementation (including the World Bank's Implementation Status Reports and DSWD's Program Implementation Status Reports), and self-evaluation;

Interviews with internal and external stakeholders: World Bank staff, government, donors, education and health providers, civil society and beneficiaries.

Secondary data sources: data retrievable from the DSWD website (<https://www.dswd.gov.ph/>) on *Listahanan* and program beneficiaries;

Site visits and observations: visit to communities and parent leaders in Cebu City and municipalities of Moalboal and Pinamaghan, and select barangays in those municipalities. Meetings with municipality mayors and barangay captains. Visits to schools and health centers.

Table B.1. Identification of Project Objectives

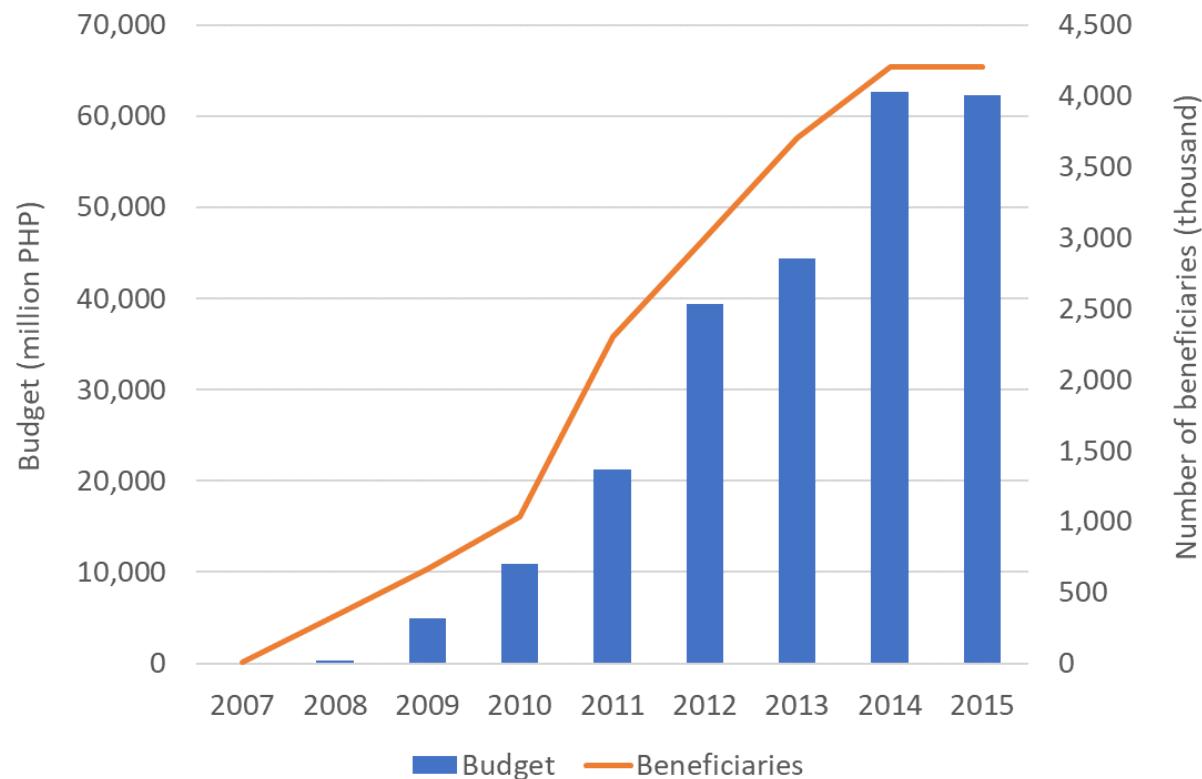
Loan Agreement	PAD	ICRR	This PPAR
<p>Program objectives:</p> <p>The objective of the Project is to strengthen the effectiveness of DSWD as a social protection agency to efficiently implement the Pantawid Pamilyang Pilipino Program (the CCT Program) and to expand an efficient and functional National Household Targeting System of social protection programs.</p> <p>(Project description, Schedule 1)</p>	<p>Program objectives:</p> <p>The project development objective is to strengthen the effectiveness of DSWD as a social protection agency to efficiently implement the CCT program (4Ps) and expand an efficient and functional National Household Targeting System of social protection programs.</p> <p>("Project development objective and key indicators," 6)</p> <p>To strengthen the effectiveness of DSWD as a social protection agency to efficiently implement the CCT program (4Ps) and to expand an efficient and functional National Household Targeting System of social protection programs.</p> <p>(Annex 3, Results framework and monitoring, 37).</p>	<p>Program objectives:</p> <p>to strengthen the effectiveness of Department of Social Welfare and Development as a social protection agency to efficiently implement the Pantawid Pamilyang Pilipino Program (the CCT program) and to expand an efficient and functional National Household Targeting System of social protection programs.</p> <p>(same as loan agreement and the project appraisal document, 6)</p> <p>The project objective was not changed at additional financing.</p>	As in loan agreement, PAD, or ICRR

Sources: World Bank 2009a, 2009b, 2016.

Note: CCT = conditional cash transfer; DSWD = Department of Social Welfare and Development; ICR = Implementation Completion and Results Report; PAD = project appraisal document; PPAR = Project Performance Assessment Report.

Appendix C. Program Features

Figure C.1. Pantawid: Government Budget and Number of Beneficiaries



Source: Independent Evaluation Group, reproduced from Kim and Yoo (2015).

Note: The number of beneficiaries does not include those who qualify for the modified conditional cash transfer.

Table C.1. Poor Households in *Listahanan I* and *II*, by Region

Region	<i>Listahanan I</i>			<i>Listahanan II</i>		
	Households assessed	Identified poor households	Poor households (%)	Households Assessed	Identified poor households	Poor households (%)
CAR [Cordillera Administrative Region]	234,233	79,816	34	293,998	64,520	22
NCR [National Capital Region]	697,443	316,823	45	1,208,807	96,466	8
REGION I [Ilocos Region]	543,948	247,882	46	882,455	165,421	19
REGION II [Cagayan Valley]	408,233	118,118	29	641,920	140,537	22
REGION III [Central Luzon]	712,255	322,622	45	1,379,270	244,424	18
REGION IV-A [CALABARZON]	912,988	389,811	43	1,385,879	215,895	16
REGION IV-B [MIMAROPA]	513,759	242,633	47	584,562	221,324	38
REGION V [Bicol Region]	775,014	461,242	60	1,074,006	369,317	34
REGION VI [Western Visayas]	957,128	385,518	40	1,347,122	467,347	35
REGION VII [Central Visayas]	781,572	314,654	40	1,087,721	525,588	48
REGION VIII [Eastern Visayas]	719,273	335,208	47	718,494	330,843	46
REGION IX [Zamboanga Peninsula]	599,951	369,239	62	704,870	364,750	52
REGION X [Northern Mindanao]	691,689	338,749	49	870,596	485,806	56
REGION XI [Davao Region]	547,775	272,933	50	836,567	280,224	33
REGION XII [Soccsksargen]	581,853	296,043	51	805,379	360,395	45
REGION XIII [Caraga]	405,310	232,301	57	494,745	260,022	53
ARMM [Autonomous Region in Muslim Mindanao]	827,032	531,526	64	926,006	573,471	62
Total	10,909,456	5,255,118	48	15,242,397	5,166,350	34

Source: Independent Evaluation Group, based on data reported on the DSWD website (accessed January 28, 2019).

Figure C.2. The Social Welfare and Development Reform Project: Institutional Organization and Governance Structure

Level	Body	Function
Central	<p>Department of Social Welfare and Development (DSWD)</p> <p><i>Oversight: Executive Committee, chair: DSWD Secretary</i></p> <p><i>Overall coordination: Project Director/Overall Coordinator (Undersecretary for Policy and Programs Group, PPG)</i></p> <p><i>Responsibility of each component: 2-3 Undersecretaries</i></p>	Overall oversight and management of Social Welfare Development Reform Project: Accounting for project funds Coordination rules Targeting rules
	<p>National Project Management Office for PR (NPMO-NHTS/<i>Listahanan</i>)</p> <p><i>Head: National Project Director</i></p> <p><i>Supervisor: National Project Manager</i></p> <p><i>National Taraetina Advisory Group</i></p>	Implementation of the targeting system
	<p>National Project Management Office for 4Ps (NPMO-4Ps)</p> <p><i>Head: Director</i></p> <p><i>4Ps National Advisory Committee (NAC), chaired by the Director</i></p>	Implementation of the conditional cash transfer (CCT) program 4Ps NAC: (i) coordination among government agencies and (ii) Grievance committee to handle public complaints
Regional	<p>Regional DSWD offices</p>	
	<p>Field Directors</p> <p>4Ps Focal Person</p> <p>Technical Assistance Division</p> <p>Regional Advisory Committee</p>	Implementation of the CCT program
Municipal	<p>Local Government Units (LGUs)</p>	Collecting information Coordination with villages (barangays)
	<p>DSWD Municipal Link (for each of the 4Ps municipalities)</p> <p>Municipal Advisory Committee (Chair: Mayor)</p>	Interfacing with the DSWD Municipal Link Implementation of the CCT program
Community	<p>Education Focal Person: school Principal</p> <p>Health Focal Person: midwife</p> <p>Parent Leaders. Barangay Captain</p>	Implementation of the CCT program: oversight; ensuring verification of compliance to conditionalities Facilitate implementation

Source: Independent Evaluation Group, based on project documents.

Box C.1. Pantawid Pamilya: Eligibility, Grant Amount, and Conditionalities

Eligibility: households in poor provinces who are poor according to the proxy means test methodology and have at least one child aged 0–18 years (until 2014: aged 0–14 years).

Grant amount: *Health:* PHP500 per household per month. *Education:* PHP300 per 6–14-year-old child per month for up to 10 months/year; since 2014: PHP500 per 15–18-year-old child per month for up to 10 months/year. A maximum of three children aged 6–18 (until 2014: aged 6–14) qualify to receive the education grant.

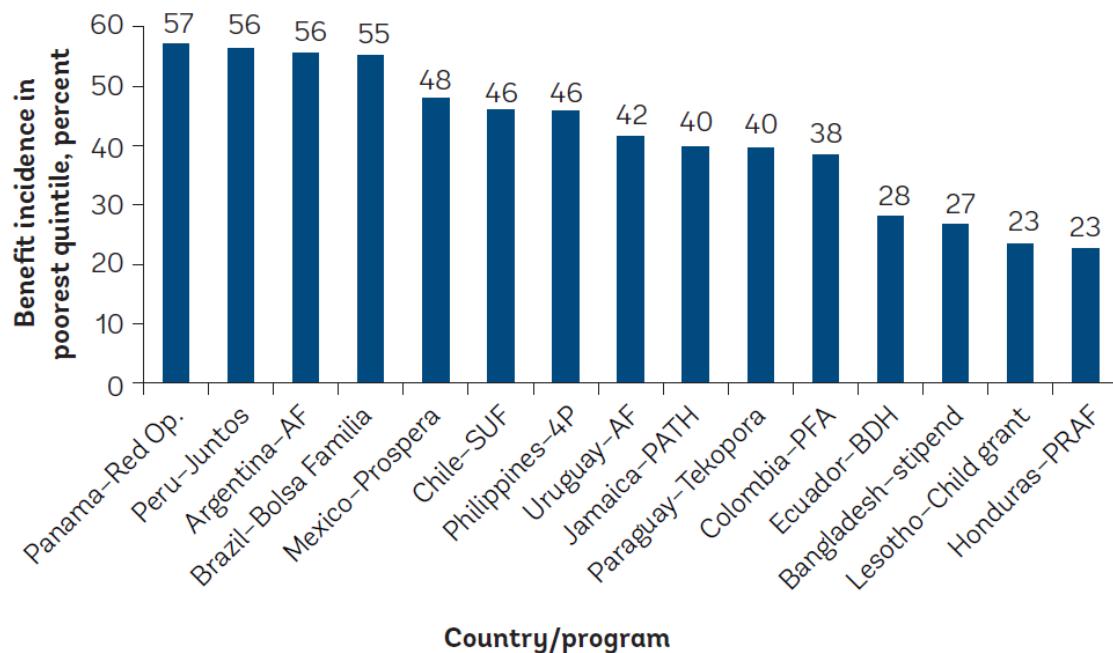
Conditions that eligible households need to meet to receive the grant:

- *Education:* Children ages 3–5 must be enrolled in kindergarten and attend classes at least 85 percent of the time each month (that is, maximum three days of absence allowed)
- *Education:* Children ages 6–18 must be enrolled in elementary or high school and attend classes at least 85 percent of the time each month and should be dewormed twice a year
- *Health:* Children ages 0–5 must be sent to nearest health center for full immunization, bimonthly weighing, and managed for childhood illnesses
- *Health:* Pregnant women must avail of pre and postnatal health checkups; delivery should be attended by professional service provider
- *Health:* all school-aged children (6 to 14 years old) must comply with the deworming protocol at schools

Parenting: for households with children 0- to 14 years old, the household grantee (mother) and/or spouse must attend family development sessions at least once a month

Source: Independent Evaluation Group, based on project documents

Figure C.2. Targeting Performance of Various Conditional Cash Transfer Programs



Source: ASPIRE.

Note: *Benefit incidence* refers to the sum of transfers received by individuals in the poorest quintile of the national consumption/income distribution as a percentage of total transfers received by all individuals in the population. 4P = Pantawid Pamilyang Pilipino Program; AF = Asignaciones Familiares; BDH = Bono de Desarrollo Humano; PATH = Programme of Advancement Through Health and Education; PFA = Programa Familias en Acción; PRAF = Programa De Asignación Familiar; Red Op. = Red de Oportunidades; SUF = Subsidio Único Familiar.

Source: World Bank 2015.

Table C.4. Costs by Component
(\$, millions)

Components and Main Subcomponents	Appraisal		Additional Financing		Actual	
	IBRD	GoP	IBRD	GoP	IBRD	GoP
Component 1: Support to the National Household Targeting System for Poverty Reduction	64.5				43.8 ^a	
1.1. Implementation of Targeting Mechanism	54.8					
1.2. Implementation Support for National Household Targeting System for Poverty Reduction	9.7					
Component 2: Support to Pantawid Pamilyang Pilipino Program (4Ps)	337.4	107.0	100	33.4	459.9	4,260
2.1. 4Ps Grants	325.1	107.0	100	33.4		
2.2. Implementation Support for 4Ps	12.3					
Component 3: Building Institutional Capacity to Lead in Social Protection	2.1				— ^a	
3.1. Policy and Strategy	0.6					
3.2. Implementation Support	1.0					
3.3. Monitoring and Evaluation	0.5					
Total	404	107	100	33.4	503.7	4,260

Source: Independent Evaluation Group, based on World Bank 2016.

Note: — = not available; GoP = government of the Philippines; IBRD = International Bank for Reconstruction and Development.

a. The Implementation Completion and Results Report provides the actual for component 1 and 3 combined.

Table C.5 Project Development Objective Indicators and Intermediate Results Indicators, by Project Objective

Indicator	Baseline	Endline	Original Target	Revised Target
Objective I: Strengthen effectiveness of the DSWD to efficiently implement the CCT				
PDO Indicators				
Share of children 6–14 years old in poor beneficiary households attending school at least 85 percent of the time ^a	76.0	96.3	81	95
Share of children 0–5 years old undergoing growth monitoring and checkups in accordance with Department of Health protocol	63.0	94.9	68	87
Intermediate results indicators				
Share of beneficiary households receiving 4Ps grants regularly and on time	60.0	98.6	80	90
Share of households meeting education conditionalities regularly in accordance with the OM	N/A	99.3	80	98
Share of households meeting health conditionalities regularly in accordance with the OM	N/A	94.4	80	77
MIS developed and functioning to support payments, verification, updates and grievance system	Under design	Yes	Yes	Yes
Spot checks (for 4Ps) of schools, clinics, municipal links, and beneficiary households carried out annually	No	Phase VI completed	Yes	Yes
Impact evaluation report based on first follow-up survey	No	Yes	Yes	Yes
Objective II: Strengthen effectiveness of the DSWD to expand an efficient and functional targeting system of social protection programs				
PDO Indicators				
Share of all poor households registered in the National Household Targeting System for Poverty Reduction (NHTS-PR) ^b	14.0	110	100	100
Intermediate results indicators				
At least two major national programs using the NHTS-PR for selecting their beneficiaries ^c	1	25	2	3
MIS designed and in operation including integrated data entry application, proxy means test processing and data management, and sharing capabilities properly functioning	Partial design	Yes	Yes	Yes

Indicator	Baseline	Endline	Original Target	Revised Target
Share of poor households registered in the database receiving benefits of social programs ^d	8.0	100	50	87
Social protection operational framework developed and adopted.	No	Yes	Yes	Yes
Framework for integrated service delivery developed and adopted	No	Yes	Yes	Yes
Evaluation of two social protection programs completed and disseminated.	No	Yes	Yes	Yes

Source: Independent Evaluation Group, based on World Bank 2009b, 2011–15, 2016.

Note: Endline values based on ICR. DSWD = Department of Social Welfare and Development; PDO = project development objective.

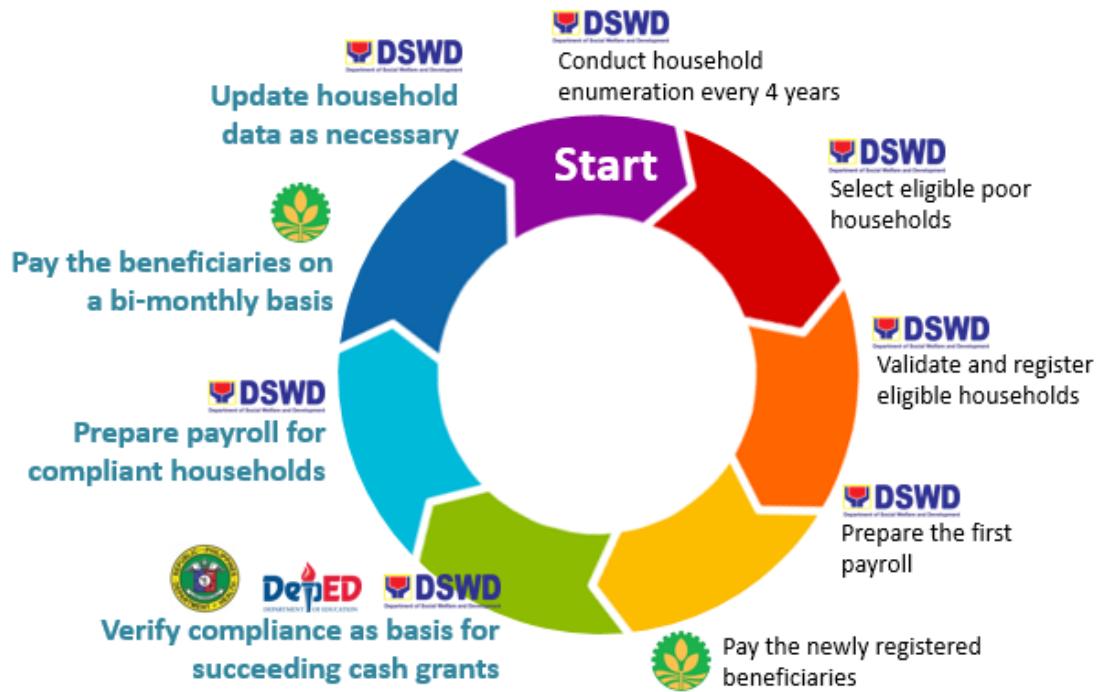
a. Baseline data source is Annual Poverty Indicators Survey, by National Statistics Office (NSO). Because it is calculated using the number of children attending school as a denominator, this indicator by design excludes a large portion of the children not attending school (Implementation Status and Results Report 3).

b. Before the creation of the registry, 4.7 million Filipino households were estimated to be poor based on the NSO data.

c. At baseline 4Ps was the only program using NHTS-PR for selecting beneficiaries. In March 2010, Executive Order No. 867 provided for adoption of the NHTS-PR as mechanisms for selecting beneficiaries of social protection programs nationwide. PhilHealth signed an memorandum of agreement with DSWD October 2009 to use NHTS-PR for the PhilHealth Sponsored Program (Implementation Status and Results Report 2).

d. The baseline is based on the number of identified beneficiaries of 4Ps as of June 2009 (about 376,000 households). As of June 30, 2011, the proxy means test identified 5.2 million poor households, more than the National Statistical Coordination Board estimated number of poor households (4.7 million). This is explained by the difference in methodology: the proxy means test measures welfare based on a multidimensional index that incorporates more than reported cash income, as measured in the official statistics. The creation of poverty database nationwide was completed in June 2011 and data remained unchanged until the next reassessment in 2014.

Figure C.3. Pantawid Cycle of Compliance Monitoring and Payout



Source: Department of Social Welfare and Development.

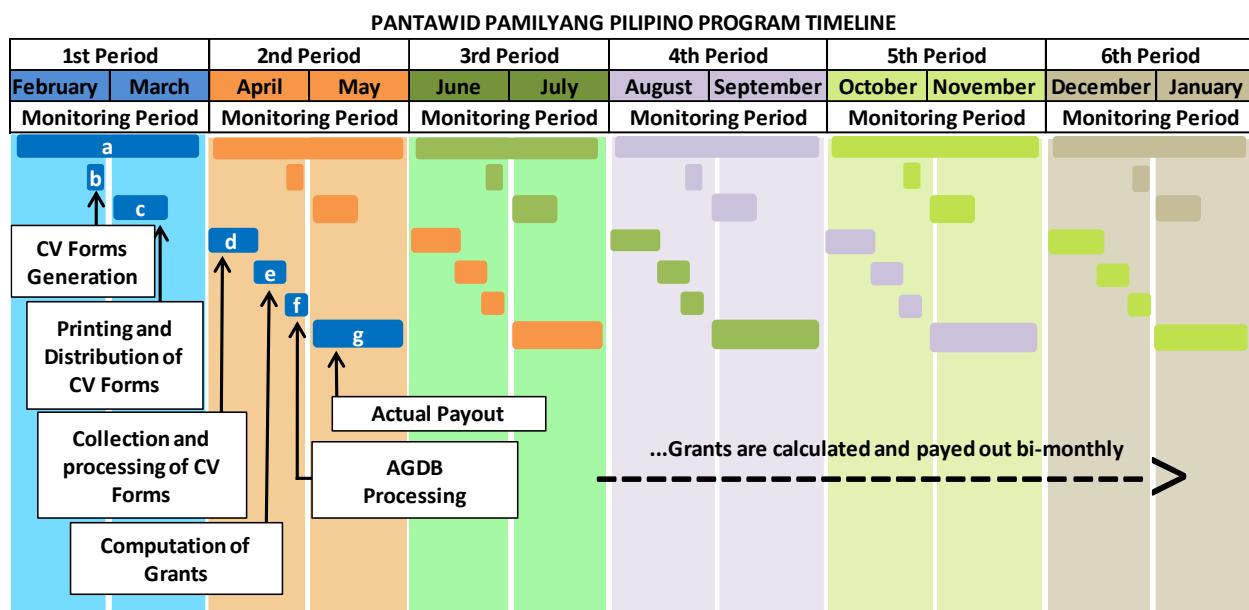
Note: The first five steps (in **black**) happen once for the preparation/update of the poverty registry (*Listahanan*) – historically in 2010 and 2015 (in 2015, however, Pantawid was not expanded, or the beneficiary list revised based on the new proxy means test, so that the 2010 list is still used today.) Steps in **blue font** happens bimonthly; the year can be divided in six periods (P) accordingly. The logos indicate the actors involved at each step. The Department of Social Welfare and Development manages the program; payments are processed through Land Bank; compliance is verified in coordination with Department of Health and Department of Education.

Figure C.4. Organization of the Systems Timeline in Two-Month Periods

Period	Months Covered	Encoding and Payroll Processing	Payout (Whole Month)
P1	Feb-Mar	Apr	May
P2	Apr-May	Jun	Jul
P3	Jun-Jul	Aug	Sep
P4	Aug-Sep	Oct	Nov
P5	Oct-Nov	Dec	Jan
P6	Dec-Jan	Feb	Mar

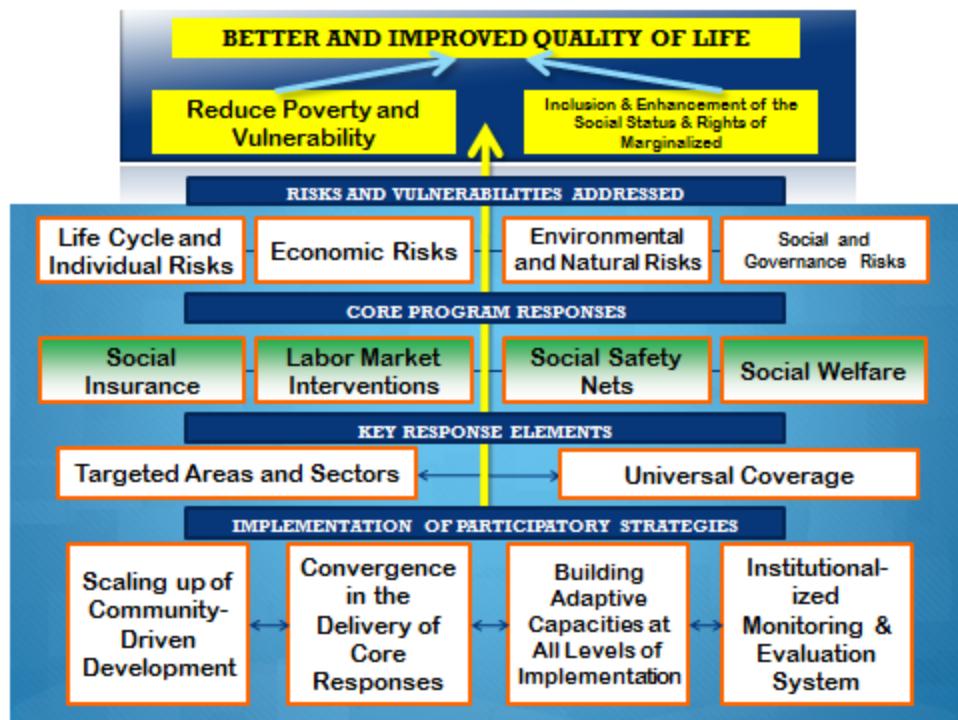
Source: Department of Social Welfare and Development.

Figure C.5. Detailed Program Timeline



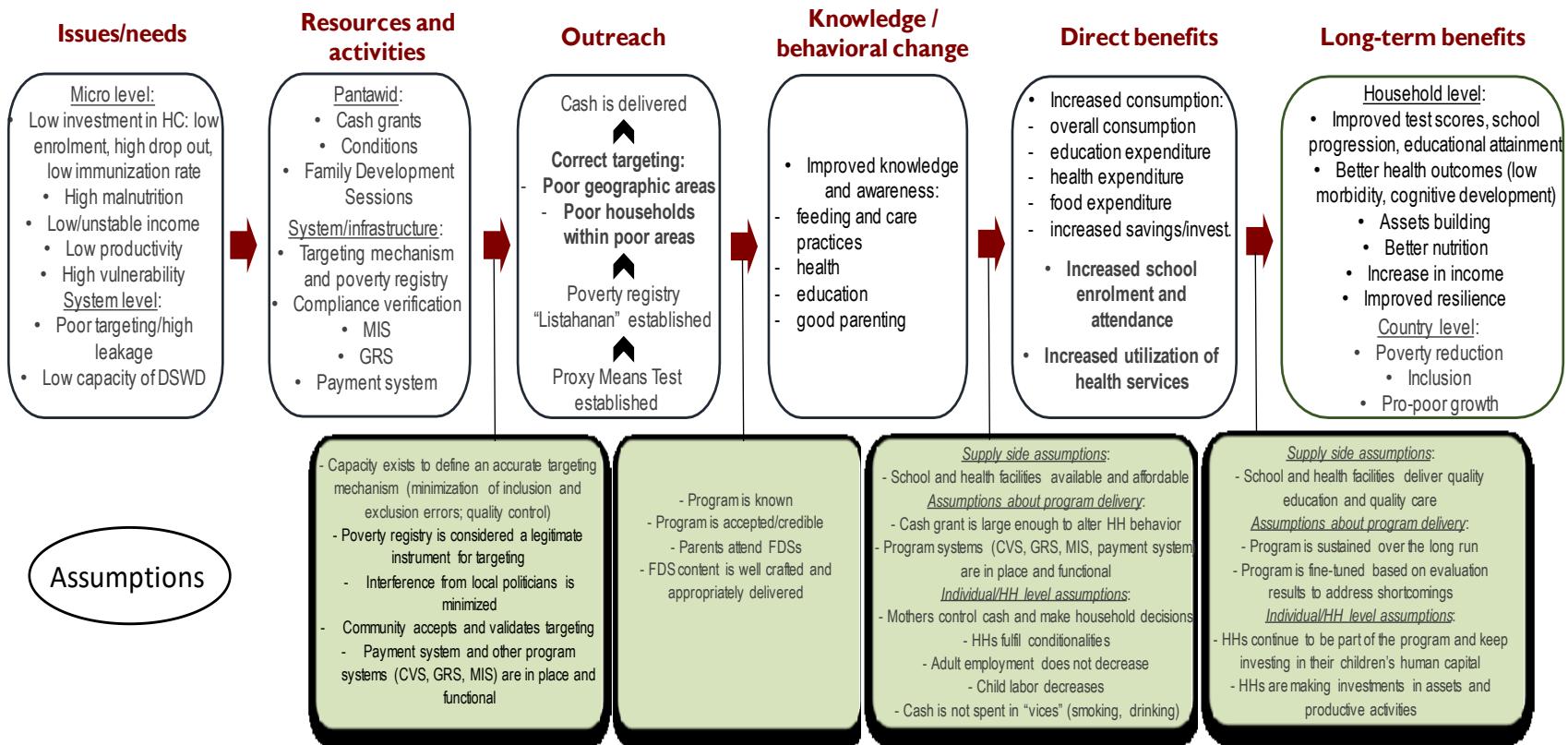
Source: Department of Social Welfare and Development.

Figure C.6. Philippines Social Protection Operational Framework and Strategy



Source: Villar 2013.

Figure C.7. Theory of Change of Pantawid



Source: Independent Evaluation Group, based on project documents; Bastagli and others 2016; Browne 2013; Kabeer and Waddington 2015; Orbeta and others 2014; World Bank 2014c.

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Appendix D. List of Persons Met

Government

Department of Social Welfare and Development (DSWD)

Name	Title
Annalissa Penullar	Project Development Officer
Camilo Gudmalin	Undersecretary and Deputy National Program Director for Operations of the Pantawid Pamilyang Pilipino Program
Cicero Juan Aguilar	Former Deputy National Program Manager for Technical Services
Christian Joseph Regway	Project Development Officer
Dinky Soliman	Former Secretary
Ernestina Z. Solloso	Officer-in-Charge National Program Manager
Esperanza Cabral	Former Secretary
Jimmy Francis T. Schuck II	Project Development Officer, Planning Monitoring and Evaluation Division
Lee Patarlas	Former Community and National Finance Management Specialist
Maria Benilda E. Redaja	Former Director and National Program Manager
Noel M. Macalalad	Assistant Secretary
Rhea B. Peñaflor	Assistant Secretary for Promotive Operations and Programs Group
Rhodora G. Alday	Director
Vincent Andrew T. Leyson	Director

DSWD in Cebu City

Name	Title
Bernadette S. Flores	Pantawid
Brigieda Tampus-Goron	Provincial Link Cebu
Emmalin P. Morada	Pantawid
Helen C. Ybaniz	KC-NCDDP
Irene Sancy	KC-NCDDP
Jay Aribbay	KC-NCDDP
Martin A. Canguit	Regional Project Management Office
Shalaine Marie S. Lucero	Director, Assistant Regional Director for Operations and Programs in Cebu
Todd Lucero Sales	KC-NCDDP
Venice M. Polancos	KC-NCDDP
Viczon Andrew N. Pancan	Pantawid

Department of Education

Name	Title
G. H. Ambat	Assistant Secretary
Jesus Mateo	Undersecretary
Lorna Dig-Dino	Undersecretary
Milagros T. Talinio	Director
Miriam Coprado	
Nepomuceno A. Malaluan	Undersecretary
Revsee A. Escobedo	Assistant Secretary
Roger Masapol	Director
Victoria L. Medrana-Catibog	Undersecretary

Department of Health

Name	Title
Aleli Annie Grace Sudiacial	Bureau of International Health Cooperation
Edwin Añoso	Bureau of International Health Cooperation
Grace Buquiran	Bureau of International Health Cooperation
Mar Wynn Bello	Director, Bureau of International Health Cooperation
Maylene Beltran	Director, Health Policy Development and Planning Bureau
Socorro Balbino	Bureau of International Health Cooperation

Philippine Health Insurance Corporation (PhilHealth)

Name	Title
Bernadette Lico	Senior Manager, Corporate Planning Department
Evangeline F. Racelis	Senior Manager, International and Local Engagement Department
Israel Francis Pargas	Acting Senior Vice President, Health Finance Policy Sector
Jovita Aragona	Chief Information Officer
Leila Tuazon	Acting Senior Manager, Human Resource Department
Mary Jean Lim	
Melanie Santillan	Acting Senior Manager, Benefits Development and Research
Narisa Portia Sugay	Acting Vice President, Quality Assurance Group
Nerisa Santiago	Acting Senior Vice President, Office of the Actuary
Rona Cacatian	
Ruben John Basa	External Vice President and Chief Operations Officer
Shirley Domingo	Corporate Affairs Group
Roehlano Briones	

Civil Society

Dr. Vicente Paqueo, Research Fellow, Philippine Institute for Development Studies

Project Beneficiaries and Parent Leaders—Pantawid Pamilyang Pilipino Program
(Conditional Cash Transfers) in Cebu City and municipalities of Moalboal and Pinamaghan

Project Beneficiaries – Kapit-Bisig Laban sa Kahirapan–Comprehensive and Integrated Delivery of Social Services Community-Driven Development in Cebu City and municipalities of Moalboal and Pinamaghan

Development Partners

Name	Title
Karin Schelzig	Senior Social Sector Specialist, Asian Development Bank
Lynnette Perez	Senior Education Specialist, Asian Development Bank
Erik Bloom	Senior Economist, Asian Development Bank
Anjanette Saguisag	Chief for Social Policy, UNICEF Philippine
Julia Rees	Deputy Representative, UNICEF Philippine
Rosela Agcaoili	Social Policy Specialist, UNICEF Philippine
Tess Felipe	Education Specialist, UNICEF Philippine
Psyche Vetta G. Olayvar	ECCD Specialist, UNICEF Philippine

World Bank

Name	Title
Aleksandra Posarac	Lead Economist, former task team leader of SWDRP
Agata Pawlowska	Portfolio Manager
Andrew Ragatz	Senior Education Specialist
Bert Hofman	Former Country Director, World Bank Philippines
Gabriel Demombynes	Program Leader
Jehan Arulpragasam	Practice Manager, former task team leader of SWDRP
Mara Warwick	Country Director
Maria Loreto Padua	Senior Social Development Specialist
Motoo Konishi	Former Country Director, World Bank Philippines
Pablo Acosta	Senior Economist, Social Protection and Labor Global Practice, task team leader of SWDRP
Pia Peeters	Senior Social Development Specialist
Takiko Igarashi	Education Specialist