



European
Commission

CASE STUDY

PHILIPPINES



SPaN
Supporting people through crisis



Guidance Package on Social Protection across the Humanitarian-Development Nexus

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Background to the Case Study

The Philippines case study was produced as part of the “Guidance Package on Social Protection across the Humanitarian-Development Nexus” (SPaN). It is the outcome of an initiative jointly led by the European Commission’s Directorate-General for International Cooperation and Development (DEVCO), Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) and Directorate- General for Neighbourhood and Enlargement Negotiations (NEAR) with the support of DEVCO Unit 04 and the MKS programme.



CASE STUDY

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Type of shock	Social protection instrument	Way the social protection system was used (typology)
Rapid onset natural disaster (typhoon)	Social transfer (CCT but condition was waived)	Vertical expansion (ex post)

Scene setting

Vulnerability to recurring natural disasters is particularly high in the Philippines. 74% of the country's population and 60% of its land area are susceptible to multiple climate-related and geophysical hazards. Studies¹ have concluded that poverty is a critical determinant of vulnerability to natural disasters in the Philippines. There is considerable overlap between the geographical incidence of natural hazards and the regions with highest poverty incidence. At the household level, exposure to disasters increases with poverty due to the location and quality of housing whilst the poor have limited assets at their disposal to cope with and recover from disasters. The near poor are also affected. Although the country's poverty incidence for 2015 declined to 21.6% from 26.3% in 2009², many Filipinos still live just above the poverty line and cycle in and out of poverty due to their exposure to and vulnerability to shocks.

The country has one of the most advanced social protection systems in the region. The flagship social transfer programme is the 'Pantawid Pamilya Pilipino' Programme (Pantawid). It is a nationwide conditional cash transfer (CCT) aimed at poverty alleviation and improving the health, nutrition, and education of poor children. All households in the country that are classified as 'poor' according to the Listahanan – a social registry of households based on a nationwide poverty survey undertaken in 2011³ – and that have a pregnant woman or children, are eligible for assistance. The programme reached over 4.4 million households in 2015. Beneficiaries receive monthly cash grants of up to Philippine Peso (PHP) 1 400 (EUR 27 as of 2016), disbursed every two months, conditional on regular school attendance and health checks for children and

pregnant women, and attendance at monthly family development sessions.

The Government of the Philippines (GoP) has developed comprehensive systems for disaster risk management (DRM) and plays a leading role in disaster response, in coordination with humanitarian partners. The Department for Social Welfare and Development (DSWD) takes the lead in design and implementation of social protection policy and programmes but also, and unusually, in DRM. They are the vice chair for disaster response on the National Disaster Risk Reduction and Management Council (NDRRMC) and coordinate the government's relief efforts.

On 8th November 2013, Typhoon Haiyan was the most powerful storm to make landfall ever recorded. Some 16 million people were affected across nine provinces, including some of the poorest regions. 4.1 million were displaced and 1.1 million houses were damaged or destroyed. Whilst in-kind relief dominated the early stage of the response, as markets stabilised, the GoP and numerous aid agencies transitioned at least a portion of their response to cash assistance. Funding to cope with Typhoon Haiyan reached USD 990.9 million. Around 40% of this figure has been funded by the GoP; and a total of USD 12.5 million was allocated in the form of cash transfers to affected population between November 2013 and February 2014 through the pre-existing Pantawid system.

At least 45 international humanitarian agencies implemented cash-based interventions. Over 1.4 million people (277 000 households) received cash assistance (EUR 30.5 million) during the emergency

1 World Bank (2005) *Natural Disaster Risk Management in the Philippines - Reducing Vulnerability*. Washington, DC: World Bank
 2 Philippine Statistics Authority (PSA), 2015 Full Year Poverty Statistic, <https://psa.gov.ph/content/poverty-incidence-among-filipinos-registered-216-2015-psa>
 3 The survey was updated in 2015

phase and Cash Transfer Programmes (CTPs) comprised 40% of the total value of humanitarian assistance for Haiyan (EUR 754 million).

During the response and early recovery phase (December 2013 to February 2014) the World Food Programme (WFP) implemented a humanitarian CTP with the objective to increase food security for the most vulnerable households affected by the shock. Cash transfers were complemented with food transfers since rice markets did not recover at the same rate. WFP was interested in linking with the Pantawid programme to deliver this cash assistance. The Pantawid had significant coverage of the population in the affected areas (with 805 000 registered beneficiary households in the affected regions and up to half the population

enrolled on the programme in some of the poorest municipalities). WFP anticipated that these households, being some of the poorest, were likely to be some of the most food insecure following the disaster. WFP also saw the potential to leverage the programme's existing administrative systems.

WFP had an existing partnership with DSWD for providing in-kind food relief during a response. Following the disaster, DSWD were open to consider new ideas, given the unprecedented scale of the catastrophe and was willing to expand this partnership to create a flexible dual pipeline of cash and food based on national systems. A Memorandum of Understanding between WFP and DSWD was established.

What it looked like

In November 2013, WFP piloted an **Emergency Cash Transfer (ECT) project** that specifically targeted Pantawid beneficiaries in 60 'worst affected' municipalities. WFP channelled humanitarian funds to DSWD, who provided these families with an unconditional cash 'top up' of PHP 1 300 (EUR 26.8), on top of their usual social transfer. This was provided every month, for two months, through the standard payment processes used on the Pantawid programme. 31% were paid through ATM cards, and 69% received cash payments. All projects were multi-donor funded, the European Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) contributed to the WFP-led response to typhoon Haiyan with EUR 3.1 million Euro, some of which was used for the ECT.

WFP did implement parallel cash assistance through International NGOs (INGOs), to reach non-Pantawid beneficiary households affected by the disaster, and this required setting up new systems and processes for communication, targeting and payment. The Pantawid programme proved to be a more cost-efficient way of reaching those disaster-affected households who were Pantawid beneficiaries than the establishment of a parallel humanitarian system, with reduced transaction costs compared to delivery through implementing partners⁴. Timeliness was also improved - WFP reached 105 000 households within two months, compared to 85 000 through NGOs.

How it was done

This section summarises the processes that were followed, and the enabling factors and challenges identified at each stage.

ASSESSMENT AND ANALYSIS

When planning their emergency response, WFP first had to identify which areas were most affected, the numbers and which sections of the population were most affected, the level of need, and people's preferences for food or cash. WFP also conducted assessment of critical food market systems in the country – especially the rice market – to understand how these markets were recovering and whether some foods would be in short supply. These assessments involved WFP directly, as well as other international humanitarian actors

(Food Security Cluster members, INGOs and the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA)) to implement assessment activities and share and analyse data. Information on the feasibility of a cash-based response was then shared with DSWD.

It was necessary to determine the feasibility of using the social protection system for humanitarian response. WFP's long-term partnership with DSWD meant they were already familiar with the Pantawid programme, its objectives, modality and payment schedule, the targeting system and the payment channels used. They knew the criteria for eligibility to Pantawid and considered that there was overlap between these beneficiaries and those

⁴ Betteley (2016) *Leveraging G2P Payments in Relief and Recovery WFP Philippines—Super Typhoon Haiyan (Yolanda)*, Presentation for Emergency Unconditional Cash Transfers Workshop, World Food Programme

who would be food insecure due to the disaster. This sped up the process of assessment.

These **pilot attempts to provide humanitarian assistance through the social protection system** were successful because of close relationships between the principle governmental and humanitarian actors involved and joint and transparent decision making that considered the capacities, concerns and constraints of all stakeholders. WFP held discussions with DSWD to understand the political will for expanding the Pantawid programme to meet humanitarian needs, whether it was possible to waive the programme's conditions or change the payment schedule during the response and understand the coverage of the programme in the affected provinces. WFP also had to understand how DSWD staff and administrative systems had been affected by the disaster and their capacity to manage a rapid scaling up of the programme. A mapping was conducted of where payments are usually delivered, to see whether points were still accessible to the affected population.

DESIGN

The Listahanan socioeconomic registry which underpins eligibility to the Pantawid programme included approximately 60% of households in 2013. These gaps in coverage and the demographic eligibility criteria (households with pregnant women or children) meant that not all poor households were included in the Pantawid programme. Furthermore, large scale natural disasters do not only affect the poor. This meant that in the municipalities where WFP was intervening there were thousands of families who were also in need of food assistance but who were not enrolled in the Pantawid programme. WFP and DSWD's joint discussions concluded that registering additional beneficiaries into the programme would be too much of a burden on DSWD at a time when they were already stretched. WFP and INGO partners therefore designed a complementary standalone humanitarian assistance programme, to reach other affected households in the same areas through conventional channels.

The food security cluster calculated the cost of a monthly food basket for an average family of five. Given the scale of the disaster and level of need, meeting 100% of food needs during the response phase was considered appropriate. WFP used this to calculate the value of cash assistance to be provided to households. Cash assistance was complemented by in-kind rice distribution. Households on the INGO programme were given 100% of the cash they needed to purchase the remaining minimum expenditure basket of food. Pantawid beneficiary households were already guaranteed an average monthly income from the regular social assistance. The ECT cash top-up therefore covered the remaining gap they faced in meeting their food needs.

The objective of WFP's programme was to address food insecurity only, not all basic needs and the top-up transfer value was not sufficient to meet all needs that beneficiary households had at that time. Additional needs had to be met through parallel humanitarian interventions to the same households. The partitioning of needs between sectors, and the pull of sector mandates is a well-known limitation of the present architecture of the humanitarian system. Limited coordination between clusters and sectors during the Haiyan response meant that no other agencies contributed further top-ups to meet other sectoral needs through the same channel.

WFP requested that DSWD waive the conditions on the programme for the period of the emergency response, to ensure that all families would receive the full amount of cash assistance that they needed during this time. DSWD agreed – in fact such provisions were built into the programme's operating procedures. In 2013, DSWD had passed a resolution that when a state of disaster was declared, programme conditions would be waived for three months.

WFP requested to DSWD that the ECT top-ups be provided on a monthly basis. This required changes to the Pantawid programme's payment schedule since payments are usually provided only every two months. This created some difficulties for the programme administrators that are detailed in the 'Operations' section below.

OPERATIONS

Registration:

A critical factor in the success of WFP's ECT was that it could take advantage of an extensive pre-identified caseload of beneficiaries, saving time that would normally be spent on targeting in the critical period when assistance was needed post-disaster. WFP chose to blanket target all Pantawid beneficiaries registered in the 60 municipalities and avoided further assessment and verification of vulnerability. This was a 'no regrets' approach that enabled a speedy response at the scale required.

However, the focus of the programme on existing social protection beneficiaries did create some issues in the community, highlighting the importance of strong communication with communities (both beneficiaries and non-beneficiaries) for effective response through social protection systems. For example, it was sometimes a challenge for DSWD staff to explain to those who were not beneficiaries why Pantawid families were getting even more support. Furthermore, WFP did not implement their top-up in Tacloban City. These decisions were logical in the face of limited humanitarian aid, but it was not clear to those residing outside the project zone why they were not receiving assistance when their neighbours were. Such challenges can also be faced

on standalone humanitarian assistance programmes but were significant here since Pantawid is understood by communities to be a government programme with national coverage. Hence, staff needed to carefully explain to communities that these top ups were a WFP initiative, rather than DSWD's.

WFP coordinated additional programmes providing cash assistance to non-Pantawid households in these communities through INGO implementing partners. This was effective at reducing gaps in social transfers and exclusion errors. To identify eligible households, WFP did not make use of the government's pre-existing register of households in the Listahanan. This was because of the aforementioned gaps in coverage of the Listahanan and because the data had not been updated for four years meaning its accuracy was questionable. Instead, WFP opted for community-based targeting. The INGOs worked with Local Government Units (LGUs) to identify affected populations, with lists validated by community leaders. This was a potentially more subjective, but ultimately more inclusive approach.

WFP coordinated the parallel cash transfers through INGO partners with the ECT top-up, such that the former filled the gaps in the latter. Outside of WFP's programmes, there were no processes and procedures for coordination between the Pantawid programme and either DSWD's disaster response activities, or the work of humanitarian agencies. This challenged efforts to coordinate the ECT with the wider humanitarian response.

Enrolment:

Although the ECT was working with existing Pantawid beneficiaries, the scale of the disaster led to massive displacement of households, loss of identification documents, and deaths of caregivers. A revalidation exercise was needed for DSWD to track down displaced households and replace documents, to ensure they could receive their payments, and to replace the named carers for newly orphaned children. The exercise was also used to inform beneficiaries of the emergency top-up payments.

DSWD planned this validation exercise immediately after the disaster, in order to ensure continuity of the regular social transfer programme. The quick decision to undertake this exercise, and effective systems to execute this, proved instrumental to the effective implementation of the ECT. It took over three weeks and was highly intensive for DSWD's municipal and provincial staff. Staff from outside the affected area were drafted in to assist, which was an enabling factor. Waiving conditions on the programme during the response period also freed up time for Pantawid programme staff from monitoring adherence to conditions, to focus on the validation exercise. Another enabling factor was the strong systems for communicating with beneficiaries. The Parent Leaders' network – community-based support structures set up

as part of the Pantawid programme – supported DSWD in the process of locating and informing displaced families.

Payment:

Payments on the Pantawid programme are provided through a network of financial service providers managed by Land Bank Philippines. Cash is delivered by ATM card (mainly in urban areas) by Land Bank and as physical cash (especially in more rural areas) by the post office (Philpost) and remittance companies. The ECT also made use of these existing payment processes, avoiding the need to contract, set up, and train households in a new payment delivery system. Cash transfers were disbursed quickly, usually within a week of the distribution being authorised and the funds being transferred to DSWD by WFP.

There were some challenges due to the nature and the scale of the disaster. Some Pantawid programme beneficiaries had lost their ATM cards and replacing these took up to several months. Disruption to the power supply also affected the ATM network. Land Bank provided three mobile ATMs where machines were out of service, and also made the decision to allow ATM card beneficiaries to receive their payments as physical cash. This switch to manual payments showed flexibility to deal with the impacts of the disaster – though because these initiatives were not set up from the beginning, some payments were delivered later than originally planned.

The financial service providers managing the 'over the counter' cash payments faced some challenges in delivering both the regular and the top up payments. There were difficulties in ensuring availability of physical cash in the first months, security concerns at pay out points and contractual issues to resolve about the payment service providers' commission. The capacities of some branches had also been depleted since personnel and infrastructure had been affected by the disaster.

WFP's request for monthly rather than bi-monthly payments created additional work for payment agents to prepare and reconcile the distribution, at a time when capacity was stretched. Meanwhile in some cases, data and information flows between WFP and DSWD did not align quickly enough to compute the WFP top-up amounts into the regular Pantawid payroll, meaning that the payment agents had to make two separate payments to beneficiaries.

Systems and institutions:

The success of WFP's ECT through the Pantawid programme highlights the potential advantages of leveraging robust and well-established national systems (strong human resources, clear administrative procedures, and functioning operating systems and institutions) in humanitarian settings.

From the perspective of coordination, having DSWD lead on both the Pantawid programme implementation and disaster response was useful since all social welfare officers were mandated to support relief efforts at times of crisis, and staff involved in Pantawid were familiar with emergency response.

That been said, the scale of the disaster combined with the additional responsibilities of implementing the ECT did place extra strain on personnel. Transfer of staff from other regions did help, but evaluation of the response found that DSWD's role in four clusters, and as the primary channel for the Government of the Philippines' cash and in-kind response operations, placed considerable strain on social welfare officers. DSWD's provincial offices also needed extra equipment and operating budgets to fulfil the administrative requirements of the ECT, which DSWD had to cover.

Payment service providers faced similar challenges. DSWD did not consult Land Bank before agreeing to changes to the payment schedule. Some branches had to recruit additional staff or third-party small businesses to help them manage the additional payments. The increased workload put Philpost very behind with their reconciliation reporting to Land Bank, leading to temporary suspension of their payment conduit license and an audit. Sticking with the existing payment plan of the Pantawid programme may have been a slight trade-off in terms of humanitarian 'best practice' but would have reduced the burden on the social protection system.

The Pantawid programme has detailed standard operating procedures (SOPs) but lacked procedures for ensuring continuation of programme operations post-disaster. There was also no prior experience of,

or procedures for, using the Pantawid programme for emergency response, meaning everything was designed as the response unfolded. This meant that the originally anticipated timeframe for WFP's ECT proved too ambitious. Instead of disbursing payments in December and January, this took until the end of March 2014.

Critical to the success of the project were the existing, strong systems on the Pantawid programme for communicating with beneficiaries. These were essential for informing beneficiaries of the plans for the emergency top-up payment, the reverification exercise, and changes to payment schedules.

Monitoring and evaluation

At the outset of the ECT, DSWD had understood that the regular, and robust, financial monitoring and reporting processes on the Pantawid programme would be sufficient for WFP's needs. It later became apparent that WFP's financial procedures required further evidence of the delivery of cash to beneficiaries (photocopies of the beneficiary receipts). DSWD had to provide proof retrospectively which took many months and considerable resources. DSWD recommended that in future partnerships, these reporting requirements should be set out from the beginning.

Pantawid is a long-term development programme and doesn't undertake regular post distribution monitoring (PDM). WFP had a responsibility to undertake monthly PDM to demonstrate progress towards humanitarian objectives. With DSWD's agreement, WFP implemented their own PDM activities to monitor ECT outcome indicators and also undertook market price monitoring.

What happened next

A consensus has since emerged within the Government of the Philippines, donors, UN agencies and other humanitarian actors that **capacity for implementing a cash emergency response at scale, and that links to and takes advantage of the existing social protection system, should be developed, ex-ante.** In 2015, a Humanitarian Country Team Cash Working Group (CWG) was institutionalised as a thematic group in the Philippines. The CWG is a platform for coordination and collaboration concerning cash-based interventions/activities. It is also a forum for strategic and technical discussions on the cash emergency response.

CWG reported USD 11.6 million worth in cash-based projects during the period 2017-2018. These funds were allocated by 11 humanitarian organisations

in partnership with 26 local and international organisations, and the interventions reached over 53 000 beneficiaries affected by eight types of emergencies.⁵

In 2016 discussions between the World Bank and DSWD began about an institutionalised National Emergency Cash Transfer Programme (N-ECT). In discussions about the N-ECT, preparedness measures being discussed include:

- formal definition of roles, responsibilities and actions between stakeholders (governmental and non-governmental, and from DRM, humanitarian and social protection spheres);
- relevant training and capacity building for DSWD

5 <http://ochaimphil.github.io/Humanitarian-Bulletin/HumBulletinSept2018.html>

and LGUs;

- SOPs for relaxation or amendment of programme regulations and procedures in emergencies; formalising the relaxation of national financial regulations post disaster;
- post-disaster capacity assessments and contingency plans for financial service providers;
- exploring government-led contingency and disaster risk financing mechanisms to reduce reliance on humanitarian appeals;
- establishing stand-by agreements between DSWD and humanitarian agencies whereas agreeing triggers for activation and addressing the inherent difficulty of having a programme (and/or its underlying processes) which is not enshrined in law but only a presidential project as the foundation of such an institutionalised response.

The success in linking social protection programmes to emergencies has spurred the GoP exploring how to formalise these links. According to a study commissioned within the regional Project “Strengthening capacity of ASEAN Member States to design and implement risk informed and shock responsive social protection”⁶, funded by ECHO, there is expected to be an enhancement of the Social Protection Operational Framework on shock-responsive social protection. If this occurs, there will be a conducive policy environment for this Road Map, which suggests multiple sequenced actions related to Information Systems, Delivery Mechanism, Financing and Institutions’ Coordination and Capacity, leading to the establishment of a risk informed and shock responsive social protection system.

Beyond the approval of the Enhanced Section within the Social Protection Framework, the Road Map identifies several paths to better embed the resilience of vulnerable groups to natural disasters within social protection programmes. Among these, the following are mentioned: measures to better integrate the different programmes targeting the poor, even when these are managed by different Departments; measures to strengthen delivery mechanisms, such as a national identity card and the harmonisation of different registries of poor and vulnerable households; changing of Institutions’ attitude from an ex-post focus toward an ex-ante focus enabling anticipating and managing disasters; institutionalise the link between the national early warning system to programmatic responses; and designing a disaster risk financing strategy.

The DSWD has continued to introduce cash transfers for disasters as part of their disaster response. The country is currently reviewing the Social Protection

Operational Framework covering the shock responsive agenda under “Adaptive Social Protection.” The World Bank reported the use of different Social Protection Programmes over the past years in the response to different disasters,⁷ for example:

DSWD used the Emergency Shelter Cash Assistance Project (ESCAP) during Typhoon Lawin in 2016 as the impact of the typhoon concerned especially infrastructure, housing and economic activities.

DSWD operationalised the Emergency Shelter Assistance and Cash for Work during Typhoon Nina and the earthquake in Caraga in early 2017. The LGU submitted the list of households with destroyed houses, who received a uniform rate of PH 5 000 as initial assistance.

During the Marawi armed conflict, DSWD implemented a cash transfer program to internally displaced people (IDPs) guided by Memorandum Circular 10 series of 2017. The funds were downloaded to the local government units who in turn facilitated the release of cash assistance to the IDPs through direct cash payouts.

Beyond the above mentioned regional Project, funded by ECHO, the **EU is funding the three-year Project - Strengthening social protection, resilience and inclusive development of marginalised people through citizens and civil society engagement** (CTR 2015/369-136), which is implemented by Plan International UK in partnership with International Centre for Innovation, Transformation and Excellence for Governance (INCITEGov) and Eastern Visayas Network of NGOs & POs (EVNet) (CSO-LA Call for Proposal 2015).

The overall objective is to contribute to inclusive growth through ensuring participation of children, youth, women and people with disabilities in the monitoring of social protection systems and accountability of policy makers. To achieve this, the project aims, as a specific objective, to strengthen the capacity of civil society organisations representing children, youth, women, people with disabilities and other marginalised groups to constructively engage in inclusive social protection policymaking, effective programme implementation and accountability of duty bearers. Specifically, this project will focus on improving social welfare systems to ensure they are inclusive of the aforementioned groups with a particular focus on the implementation and monitoring of the cash transfer programme, the national health insurance programme and other related social protection programmes.

6 Matthew Hobson, 2018, Road Map – Developing a Risk-Informed & Shock-Responsive Social Protection System in The Philippines, Draft.

7 Social Protection Policy Note (May 2018) Implementing Emergency Cash Transfers: the Philippine Experience in Response to the 2016/17 Disasters

On the side of humanitarian organisations, WFP identified the lack of flexibility to add additional beneficiaries due to the contractual arrangement between DSWD and Land bank, which is limited to Pantawid beneficiaries, as one of the challenges. Another challenge is to some extent the limited coverage of the Land Bank pay-out facilities in the country.

WFP entered into a global agreement with a remittance agency and recently piloted the first cash emergency response through this service provider in partnership with DSWD following typhoon Mangkut (Sept 2018). Besides causing casualties the typhoon resulted in the closure of mines due to landslides. The Listahanan was not used and DSWD provided WFP with the list of those most in need. It took about three weeks to finalise the list of people in need. WFP registered the beneficiaries in their registration system, SCOPE, including the taking of fingerprints and Money Transfer Code Numbers (MTCN) were provide four to six days after registration.

WFP is looking again to reduce the targeting time and schedules to pilot during the next disaster through a pay-out to all people captured by the Listahanan. This would save time in pre-identification and registration

but would require the assessment of the possible error margin.

UNICEF is preparing to undertake a landscape analysis on risk informed and shock responsive social protection in the new Bangsamoro Autonomous Region of Muslim Mindanao, given the complex humanitarian emergencies prevailing in the region. The analysis started in December 2018 and will be completed in April 2019. The assessment intends to inform the possible design of a social protection programme relevant to the Bangsamoro context.

Source: Smith et al (2017) 'Shock-Responsive Social Protection Systems Research: Case study—Post-Haiyan Cash Transfers in the Philippines', Oxford Policy Management, Oxford, UK.

Matthew Hobson (2018) 'Road Map – Developing a Risk-Informed & Shock-Responsive Social Protection System in The Philippines', Draft.



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