

## Comments on Legislative Measures on the Pantawid Pamilyang Pilipino Program (4PS)

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### Background

Republic Act Number 11310, otherwise known as the 4Ps Act, institutionalized the 4Ps as the national poverty reduction strategy and human capital investment program that provides conditional cash transfer to qualified household beneficiaries. The law described the procedure and criteria for the selection of beneficiaries of the program, the minimum benefits or cash grants for the beneficiaries, conditions for receiving grants, complementary interventions, and implementation arrangements for the law. In addition, Section 10 of the also law provides that: “Every three (3) years after the effectivity of this Act, the Philippine Institute for Development Studies (PIDS) shall conduct an impact assessment to evaluate the effectiveness of the 4Ps, the veracity of the list of household-beneficiaries and the program implementation.” The law also provides for potential adjustments in cash grants given to beneficiaries. That is, every six (6) years after the effectivity of the Act, the PIDS shall recommend to the 4Ps National Advisory Council (NAC) whether the cash grants shall be adjusted to its present value using the consumer price index, as published by the Philippine Statistics Authority (PSA) to ensure that positive impact on the health, nutrition, and education of the beneficiaries and are timely received and spent by the beneficiaries.

Legislative measures about the 4Ps were filed in the 19<sup>th</sup> Congress about: 1) increasing the cash grants being provided for the beneficiaries of the Pantawid Pamilyang Pilipino Program; 2) delisting of 4Ps beneficiaries; 3) strengthening beneficiary identification and targeting; and 4) creation of regional 4Ps management offices, provincial, city/municipal operations offices. The House Committee on Poverty Alleviation requested comments, ideas, and recommendations of the Institute on these legislative measures.

### Comments on the Legislative Measures

#### *Increasing the cash grants provided to 4Ps beneficiaries*

- **House Resolution No. 184.** “Resolution urging the National Advisory Council of the Pantawid Pamilyang Pilipino Program (4Ps), through the Department of Social Welfare and Development as its lead agency, to increase the amount of conditional cash grants in light of the current global economic crises brought about by the rapid and sustained increase in oil prices and basic commodities” introduced by Reps. Marcelino C. Libanan and Jonathan Clement M. Abalos, II on August 4, 2022. The resolution urges the National Advisory Council (NAC) of the 4Ps to increase the amount of conditional cash grants amidst the current global crises and increase in prices of basic commodities.

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- **House Bill No. 4372.** “An Act Providing for the Increase of the Minimum Amounts of the components of the Pantawid Pamilyang Pilipino Program (4Ps Grants) filed by Ang Probinsiyano Partylist on September 22, 2022. The bill proposes increase in 4Ps cash grants to: PHP500 for Daycare and Elementary students from its current amount of PHP300; PHP700 per Junior High School student from PHP500; PHP900 per Senior High School Student from PHP700; and PHP1,100 per household for the health grant from PHP750.

The two legal measures above support the increase of the benefit levels received by 4Ps beneficiaries. This increase is ahead of the schedule provided in Republic Act (RA) 11310 where the PIDS shall recommend to the NAC an inflation-adjusted value of the grants six years after the enactment of the law. This call may be warranted following the unprecedented and damaging impacts of the COVID-19 pandemic on poverty and the prevailing global crises affecting the prices of basic commodities. The 2021 poverty statistics released by the PSA showed that poverty incidence increased to 18.1% from 16.7% in 2018. This figure is in line with the PIDS simulation of the impact of COVID-19 on poverty incidence<sup>3</sup>. Further exacerbating this is the continuous increase in prices over the last few years. Based on the latest report of the PSA on inflation among the bottom 30% income households, the inflation rate has not fallen below seven percent since July 2021.

Calculations using the consumer price index for the bottom 30% of households by income reported by the PSA show that the real value of the 4Ps grant has fallen by around 20 percent since the enactment of the 4Ps Law in 2019. The table below shows the amount required to keep the grant at its 2019 value accounting for inflation.

Type of grant	Amount of grant based on RA 11310 (in PHP)	Adjusted amount due to inflation* (in PHP)
Education Grants		
<i>Per child in Preschool/Elementary</i>	300	362
<i>Per child in Junior High School</i>	500	604
<i>Per child in Senior High School</i>	700	846
Health Grant	750	906

Note: Computed based on CPI among bottom 30% households by income from 2019-2023. The CPI used for 2023 is based on the average of January to March 2023.

The proposed increase in the value of grants in HB No. 4372 should be able to recover the loss in the real value of the grants due to the increase in prices. Moreover, based on global literature, studies find that higher transfer levels result in bigger impacts on total household and food expenditure as well as poverty reduction<sup>4</sup>.

#### Delisting of 4Ps beneficiaries

- **House Resolution No. 194.** “Resolution Urging the Department of Social Welfare and Development to Update the List of Household-beneficiaries of the Pantawid Pamilyang Pilipino

<sup>3</sup> Reyes, Celia M, ed. 2022. The Philippines’ Response to the COVID-19 Pandemic: Learning from Experience and Emerging Stronger to Future Shocks. Philippines: Philippine Institute for Development Studies.

<sup>4</sup> As cited in Melad, Kris Ann M, Nina Victoria V Araos, and Aniceto C Orbeta Jr. 2020. “Giving Cash to the Poor: A Study of Pantawid Pamilya Cash Grants Generosity, Frequency, and Modality,” PIDS Discussion Series No. 2020-59.

Program” introduced by Rep. Teodorico T. Haresco, Jr. on August 8, 2022. The resolution urges the DSWD to immediately update its list of 4Ps household-beneficiaries based on the program monitoring and revalidation of beneficiary targeting to give way to more qualified households.

- **House Resolution No. 200.** “Resolution Urging the Committee on Social Services and Committee on Poverty Alleviation to Conduct and Inquiry, In Aid of Legislation, on the Delisting of Around 1.3 million Beneficiaries of Pantawid Pamilyang Pilipino Program (4Ps) By the Department of Social Welfare and Development (DSWD)” introduced by Reprs. Arlene D. Brosas, France L. Castro, and Raoul Danniell A. Manuel on August 9, 2022. The resolution raised concerns regarding the announced plan of the DSWD to delist 1.3 million households citing the following: the 12,082 poverty threshold is unrealistic; the Listahanan 3 has not yet been concluded at the time the delisting is announced; the delisting is being carried out amid high inflation rates and growing calls for urgent economic relief; former DSWD Sec. Tulfo announced giving cash rewards “informants” of ineligible beneficiaries casting doubt on the credibility of the delisting process; and the increase in number of families who “felt poor” in 2<sup>nd</sup> quarter of 2022.

The 4Ps Law provides for regular updating of its list of beneficiaries under Section 5 where it states the program “shall conduct a regular revalidation of beneficiary targeting every three (3) years”. This regular validation of beneficiaries is a widely used accountability measure of conditional cash transfers and social programs to ensure that the program’s resources are used efficiently, and target outcomes are maximized. Thus, HR No. 194, which encourages the DSWD to update the list of beneficiaries of the program is reasonable. The updating of the list of beneficiaries also offers the opportunity to register new households into the program and maximize the reach of the program. Another argument for supporting the regular updating or revalidation of the list of beneficiaries is the need for up-to-date data that can inform the implementation of the program. For example, in recent years, the number of children monitored under the health conditions of the program has declined due to the gaps in the updating of new children in the household information of beneficiaries.<sup>5</sup> With the regular revalidation activity, the program implementers can access more reliable information about the beneficiaries.

On the other hand, the arguments presented in HR No. 200 may have merit. That is, the targeting or revalidation of the list of beneficiaries must be done well. The process should be fair, sound, and done in a transparent manner. We take note of the steps taken by DSWD towards this end with the availability of guidance notes and NAC resolutions explaining the processes of validating and graduating some of the 4Ps beneficiaries. Also included are the framework and strategies for the social preparation and transitioning of graduating households when they exit from the program.

#### *Strengthening beneficiary identification and targeting*

- **House Resolution No. 89** “Resolution Urging the Department of Social Welfare and Development (DSWD) to Prioritize Farmers and Fisherfolk as Eligible Beneficiaries in the Department’s Move to Accommodate New Recipients of the Pantawid Pamilyang Pilipino Program, in line with the Graduation of 1.3 million Households from the Program” introduced by Rep. Wilbert T. Lee on

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<sup>5</sup> For more discussion, kindly refer to the report on the third impact evaluation of the 4Ps : Orbeta, Aniceto Jr., Kris Ann M Melad, and Nina Araos. 2021. “Reassessing the Impact of the Pantawid Pamilyang Pilipino Program: Results of the Third Wave Impact Evaluation.”, PIDS Discussion Paper Series 2021-05.

July 27, 2022. The resolution urges the DSWD to prioritize farmers and fisherfolk, as the poorest and most neglected sector and population, if they qualify with the criteria in the 4Ps act.

- **House Bill No. 6813.** “An Act Strengthening Beneficiary Identification and Targeting Mechanisms, Inclusion of a Food and Nutrition Grant and Amending for this Purpose Republic Act No. 11310, Otherwise known as *An Act Institutionalizing Pantawid Pamilyang Pilipino Program (4Ps)*” introduced by Rep. Paul R. Daza on January 23, 2023. Key amendments to RA 13310 proposed in the bill are: (1) inclusion of households with undernourished and student children aged zero to five in automatic coverage of targeting system; (2) prioritization of food poor based on subsistence threshold issues by the PSA at the time of selection of beneficiaries.; and (3) provision of food and Nutrition grant of 1000 per month per household.

The proposal in HR No. 89 is consistent with Section 6 of RA 11310 (4Ps Law) where farmers and fisherfolks, together with other marginalized sectors, are automatically covered in the standardized targeting of the program. According to preliminary 2021 poverty estimates, fisherfolks, farmers, children, and individuals residing in rural areas remain to be the sectors with the highest incidence of poverty<sup>6</sup>. As RA 11310 already provides for the prioritization of these poorest sectors in the targeting, Section 6 of the law and other relevant eligibility criteria can be used as guidance in filling up the slots to be vacated upon exit of the graduating beneficiaries. Moreover, based on the reports on the coverage of the 4Ps, the program already covers a sizeable portion of the sectors in farming, fishing, and/or forestry. As of December 2022, the DSWD reports that about 1.5 million out of the 3.8 million active Pantawid households have at least one member engaged in farming, fishing, and/or forestry.

HB 6813 is also appreciated because it surfaces the issue of hunger and nutrition which is an important aspect of human capital development. The inclusion of households with undernourished and stunted children aged zero to five years in the list of sectors automatically included in the standardized targeting system (Section 6 of RA 11310) is well-intentioned at it tries to capture a specific vulnerability among the poor. However, this may pose operational challenges as it requires updated information on the nutritional status of children in households and a centralized registry. Consultation must be done with the implementing agencies to discuss the requirements of this plan. As it is, poverty and malnutrition are highly correlated, therefore, the 4Ps program is already likely to capture households with malnourished children.

The institutionalization of the rice subsidy as a food and nutrition grant at a higher value is also welcome as the increase may be able to compensate for the eroded value of cash grants due to inflation and improve the food security of beneficiaries. In a PIDS study, Araos et al. (2022)<sup>7</sup> noted that 4Ps beneficiaries prioritize food expenses, especially rice, next to education expenses in using their cash grants from the program.

HB 6813 also provides that the food and nutrition grant is conditional to monthly monitoring of children who are malnourished. In the current program design, growth and development monitoring is already required for all children aged 0 to 5 of beneficiary households, along with other health

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<sup>6</sup> Philippine Statistics Authority

<sup>7</sup> Araos, Nina Victoria V, Kris Ann M Melad, and Aniceto C Orbeta Jr. 2022. “Learning from Stories Behind Unexpected Results: A Qualitative Follow-up Study on the Third Impact Evaluation of 4Ps.” Philippine Journal of Development 46.

interventions and services. As such, the additional condition in the bill may be more limiting as it focuses only on malnourished children as opposed to all young children in the household. However, this may be taken as an opportunity to emphasize the need for more disaggregated data on the type and quality of health services availed and received by the beneficiaries. Results of the impact evaluation studies of the program consistently showed mixed results in health outcomes prompting the need to investigate the quality and type of health services received by the beneficiaries. In the more recent third wave 4Ps impact evaluation, another issue noted is the gap in updating of the registry of children 0 to 5 among beneficiaries resulting in reduced enforcement of program health conditions and insufficient monitoring of young children and pregnant women<sup>8</sup>.

#### Creation of regional 4Ps management offices, provincial, city/municipal operations offices

- **HB No. 7410.** “An Act Mandating the Department of Social Welfare and Development to create the Pantawid Pamilyang Pilipino (4Ps) Regional Program Management Office, Provincial Operations Office, and City/Municipal Operations Office, in relation to the implementation of republic act no. 11310, otherwise known as the Pantawid Pamilyang Pilipino Program (4Ps) Act, to create plantilla positions therein with entitlement to security of tenure and other benefits, and appropriating funds therefor”, introduced by Rep. Marcelino C. Libanan on March 2, 2023. The Bill will allow creation of plantilla positions for the 4Ps local program management staff at the regional, provincial, and municipal levels.

The legislative measure is noteworthy as it advocates for the security of tenure of the staff implementing the 4Ps to improve the program's service delivery. This is supported by a PIDS study by Albert and Dacuycuy (2017) on the “Convergence Strategy” of DSWD programs including the 4Ps. The authors noted that “tenure of employment affects the implementation of the Convergence Strategy to the extent that it results in personnel’s attrition, lack of morale and perceived lack of authority”<sup>9</sup>.

The bill focuses on the local program management staff of the 4Ps starting from the regional program management office. However, the contractual and/or Contract of Service (COS) status of employment also forms most of the staff at the National Program Management Office and may need to be included in the provisions.

The measure is welcome as it aims to improve the organizational capacity of the DSWD in implementing the 4Ps, but it must be pursued under the assumption that the program is permanent or will be sustained for a long time. Our goal is to eradicate poverty and pursue economic development so that programs like the 4Ps are no longer needed. As such, there must also be a contingency plan for the staff should the program be terminated or undergo changes in the future.

While the measure is being deliberated, it may also be a good opportunity to revisit the functions of the staff and the caseload of frontline personnel. In the same study by Albert and Dacuycuy (2017), the high caseloads<sup>10</sup> for 4Ps personnel poses a challenge in making the delivery of services more focused and

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<sup>8</sup> Orbeta, Aniceto Jr., Kris Ann M Melad, and Nina Araos. 2021. “Reassessing the Impact of the Pantawid Pamilyang Pilipino Program: Results of the Third Wave Impact Evaluation.”, PIDS Discussion Paper Series 2021-05.

<sup>9</sup> Albert, Jose Ramon and Dacuycuy, Connie. 2017. “Evaluation and Assessment of the Effectiveness of the DSWD Internal and External Convergence as Operationalized by the Regional, Provincial, and City/Municipality Action Teams,” PIDS Discussion Paper Series No. 2017-32

<sup>10</sup> 4Ps City or Municipal links have caseloads of around 500 to 800 households.

personal. The relationship between the caseload of staff and program outcomes is a potential research area that can also be explored further.

For your consideration.