



Initial Poverty and Social Analysis

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Proposed Loan Philippines: Expanded Social Assistance Project

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Philippines	Project Title:	Expanded Social Assistance Project
Lending/Financing Modality:	Project	Department/Division:	Southeast Asia Department/Human and Social Development Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

While the national poverty rate fell from 25.2% in 2012 to 21.6% of the population in 2015 (based on the Family Income and Expenditure Survey) nearly 22 million people continued to live in extreme poverty under a poverty line equivalent to about \$1.20 per person per day. A far greater number—49 million or 48.5% of the population in 2015—was vulnerable to income poverty.¹ These national averages mask geographic, gender, and socioeconomic group disparities. As a response to stubborn poverty rates and vulnerability, the government has dramatically expanded the coverage of its targeted social assistance programs for poor and vulnerable groups. These now include including conditional cash transfers for 4.4 million families, social pensions for 3 million senior citizens, and a new unconditional cash transfer targeted at 10 million households. Social assistance, one of the 3 components of social protection, directly and measurably reduces poverty. By supporting the improved design, delivery, targeting, and monitoring of expanded social assistance programs, the proposed project will directly contribute to the national poverty reduction and inclusive growth strategy outlined in the Philippine Development Plan (PDP) 2017–2022, which aims at poverty reduction to 14% of the population by 2022. A key PDP objective is reducing the vulnerability of individuals and families by enabling them to cope with risks and creating a universal and transformative social protection system that builds socioeconomic resilience.² The project is closely aligned with the inclusive growth objective of the Philippines country partnership strategy 2018-2023, which cites social protection as a key policy area and investing in people as one of three strategic pillars.³ The project's focus on strengthening social protection systems and service delivery for those in need is directly in support of Strategy 2030's first and second operational priorities—addressing remaining poverty and reducing inequalities and accelerating progress in gender equality.⁴

B. Poverty Targeting

General intervention Individual or household (TI-H) Geographic (TI-G) Non-income MDGs (TI-M1, M2, etc.)

The project will support cash transfers to poor households and senior citizens objectively identified using the country's national household targeting system for poverty reduction (the Listahanan), a comprehensive proxy means test that covers about 75% of the country's households. It will further support enhancement of the targeting system to become a more dynamic social registry. By improving payment and financial management systems the project will also indirectly benefit recipients of other government transfer programs.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. The beneficiaries of the project will be poor families with children and poor senior citizens who are enrolled in the conditional cash transfer (CCT) and social pension programs and receive regular transfers (bi-monthly in the case of CCT beneficiaries, quarterly in the case of social pensioners). More than 85% of the CCT grantees are women since the program actively promotes mothers as the primary recipient and opens accounts in their names. Most social pensioners are women given their typically longer life expectancy. About 13% of CCT recipients are indigenous people, and in some areas the program conditions have been modified to better reflect the cultural preferences and practices in indigenous areas. Challenges include payment delivery systems, especially in geographically isolated and disadvantaged areas, and a targeting system that is not updated frequently enough and thus risks growing errors of both inclusion and exclusion the more time passes between updates.

2. Impact channels and expected systemic changes. Social transfers are a direct poverty reduction intervention through government to person cash payments to poor households. World Bank analysis confirms that government transfers in the Philippines contributed 25% of the poverty reduction that took place in the decade from 2006-2015.

¹ Albert, Jose Ramon, and J. F. Vizmanos. 2018. Vulnerability to Poverty in the Philippines: An Examination of Trends 2003-2015. Philippine Institute of Development Studies Discussion Paper Series no. 2018-10. Quezon City.

² National Economic and Development Authority of the Philippines. 2015. *Philippine Development Plan 2017-2022*. Chapter 11, Reducing Vulnerability of Individuals and Families. Pasig City.

³ ADB. 2018. *Philippines Country Partnership Strategy 2018-2023*. Manila.

⁴ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

3. Focus of (and resources allocated in) the transaction TA. The \$1m TRTA includes specialists in social policy, social pensions, digital payments, poverty targeting, financial management, gender, and indigenous people, among others, and allocates resources to consultation workshops, resource persons, and studies.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

Women are often the designated beneficiaries of conditional cash transfers based on the assumption that this both improves investments in children (e.g. nutrition, health and education) and enhances women's decision-making power in the household. While delivering cash transfers to women can provide them with more agency, cash assistance does not in and of itself address the root causes of gender inequality. It is important to ensure that social assistance programs do not reinforce patterns of gender discrimination and stereotyping. The Philippines' CCT program has strong gender mainstreaming features and includes family development sessions that specifically address gender issues. Providing old-age social protection for women in the Asia Pacific region is a challenge, as women's working lives often include periods of care-giving and part-time work. Workers in the informal sector, where most women work, are excluded from contributory pension systems designed for formal workers. Women live longer than men and are more likely to experience widowhood in later life, to live alone, and to face poverty for longer. Social pensions can therefore contribute to lifting women out of poverty. All social assistance has the potential to affect intra-family dynamics, gender relations and decision-making processes within the household by affording women greater financial security. A challenge common to all social assistance programs is setting sufficient benefit levels and ensuring timely delivery to smooth consumption and avoid negative coping strategies in the face of poverty or shocks.

2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No

The TRTA will prepare a gender action plan.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes No

Poor and vulnerable mothers and elderly women will receive government social assistance.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) EGM (effective gender mainstreaming)
 SGE (some gender elements) NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The main stakeholders are the recipients of social assistance benefits—poor, vulnerable and marginalized households and individuals nationwide—and the civil society organizations that represent them. The TRTA team will ensure that beneficiaries and CSOs are consulted during the project design process.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded? The project will contribute to empowering stakeholders and beneficiaries by supporting the government social assistance programs that specifically target and support the poor and vulnerable, both financially and with capacity development, for example through family development sessions under the conditional cash transfer program. There is ample evidence that cash grants and social pensions empower and bring a sense of dignity and inclusion to otherwise marginalized recipients.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

H Information generation and sharing H Consultation M Collaboration Partnership

The project area is nationwide. Key CSOs include those that represent the poor and senior citizens. The CCT and social pension programs are well-known high profile direct poverty reduction programs.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? Yes No

Participation of CSOs and the poor and vulnerable is at the core of the Department of Social Welfare and Development's social assistance programs, particularly in the CCT family development sessions.

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category A B C FI

<p>1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The project will not involve civil works, or land and assets acquisition.</p> <p>2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?</p> <p><input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> None</p>
<p>B. Indigenous Peoples Category <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project will support cash grants for poor and vulnerable indigenous peoples under government social assistance programs. An indigenous peoples plan will ensure and monitor the positive benefits.</p> <p>2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p><input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> None</p>
<p style="text-align: center;">V. OTHER SOCIAL ISSUES AND RISKS</p> <p>1. What other social issues and risks should be considered in the project design?</p> <p><input type="checkbox"/> Creating decent jobs and employment <input type="checkbox"/> Adhering to core labor standards <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS <input type="checkbox"/> Increase in human trafficking <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration <input type="checkbox"/> Increase in vulnerability to natural disasters <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts <input type="checkbox"/> Others, please specify ____None____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design? N/A</p>
<p style="text-align: center;">VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</p> <p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence? Significant TRTA resources are allocated to poverty, social and gender analysis under the proposed TA facility for Strengthening Social Protection Reforms (Appendix 3). These include social policy, social pensions, poverty targeting, financial management, gender, and indigenous peoples' experts, among others, and resources for consultation workshops, resource persons, and studies, and surveys.</p>