

**HONORABLE MICHAEL L. ROMERO**

Chairperson  
Committee on Poverty Alleviation  
House of the Philippines  
Quezon City

Dear **Representative ROMERO**:

This has reference to **House Resolution Nos. 89, 184, 194 and 200** authored by Representatives Wilbert T. Lee, Marcelino Libanan and Jonathan Clement M. Abalos, II, Teodorico Haresco, Jr., Arlene Brosas, France Castro and Raoul Dannel A. Manuel, respectively, and **Privilege Speech No. 18** delivered by Representative Paul Ruiz Daza filed under the House Committee on Poverty Alleviation.

The Department of Social Welfare and Development (DSWD) will carefully study and review the recommendations stated in the aforementioned resolutions and privilege speech. Rest assured, that the Department remains firm and committed to the continuous development and advocacy of policies, plans, standards and responsive programs, capacitate partners, and empower stakeholders for a more accessible, efficient, effective, and accountable service delivery.

The Department also welcomes any inquiry, in aid of legislation, that will shed light on issues and controversies that our legislators have noticed. We appreciate being given an avenue to clarify these issues and rectify any errors so that Filipinos continue to enjoy an improved quality of life, be free from hunger, poverty, abuse, and exploitation, have equitable access to development opportunities, enabled by a fair, just, and peaceful governance.

Further, the Department would like to respectfully respond and clarify some issues mentioned in the resolutions and privilege speech:

**I. On 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 (4Ps), in Line with the Graduation of 1.3 Million Households from the Program:**

1. Sec. 6 - Eligible Beneficiaries of Republic Act No. 11310 or the Pantawid Pamilyang Pilipino (4Ps) Act states that:

*“Farmers, fisherfolks, homeless families, indigenous peoples, those in the informal settler sector and those in geographically isolated and disadvantaged areas including those in areas without electricity shall be automatically included in the standardized targeting system to be conducted by the DSWD. Provided, That to*

*be eligible for the cash grants, households or families must meet the following criteria:*

- (a) Classified as poor and near-poor based on the Standardized Targeting System and the poverty threshold issued by the Philippine Statistics Authority (PSA) at the time of selection;*
- (b) Have members who are aged zero (0) to eighteen (18) years old or have members who are pregnant at the time of registration; and*
- (c) Willing to comply with the conditions specified by this Act.”*

The abovementioned provision is enough to give the beneficiaries priority. RA 11310 recognizes that farmers and fisherfolk, especially those residing in rural areas, suffer the most among other basic sectors in the country. In addition, while the above-mentioned vulnerable groups are automatically eligible for inclusion in the Standard Targeting System, automatic registration as beneficiaries is not guaranteed for all farmers and fisherfolk as the above criteria (a to c) must also be met. The current design of the program caters to poor households with children eighteen (18) years old and below, and/or with a member who is pregnant at the time of the enumeration. Hence, not all households of farmers and fisherfolks identified as poor will be included.

We cannot provide the aforementioned beneficiaries more prioritization as it may result in detrimental effects to other household beneficiaries. It can also be argued that the other household beneficiaries' constitutional right to equal protection may be violated. Moreover, as the law states that aside from farmers and fisherfolks, the homeless families, indigenous peoples, those in the informal settler sector and those in geographically isolated and disadvantaged areas are also highly considered in validation for eligibility to the program based on the above-mentioned criteria. Adding the impacts of COVID-19 pandemic where the general public are affected, all vulnerable sectors are considered. Prioritizing one sector over the other, may imply neglect the concerns of others, hence as the DSWD fosters equal rights in the provision of its program and services, living by the principle, “Bawat Buhay mahalaga”, the DSWD remains steadfast and guided by the criteria set in the selection of 4Ps Beneficiaries.

## 2. Other comments:

- a. In the spirit of complementation and convergence to address poverty in the country, the Department of Agriculture (DA) as part of the National Advisory Council (NAC), may take the lead in facilitating the needed assistance from these sectors that will not be covered in the 4Ps;
- b. The change in coverage would entail policy reforms given that the provided conditions have already been enforced. Moreover, it is important to look into whether conditional cash transfers would actually assist farmers and fisherfolks in the upliftment of their living status or agricultural support and investments would be more appropriate given their line of work.

**II. On House Resolution No. 184 – A 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 to 4Ps Beneficiaries in Light of the Current Global Economic Crises Brought About by the Rapid and Sustained Increase in Oil Prices and Basic Commodities, Inflation as well as the Continuing Impacts of the Pandemic:**

1. The DSWD is merely implementing the 4Ps program based on the provisions of RA 11310 or the 4Ps Act wherein the exact amount for the cash grants has been clearly specified. Proposed changes to the implementation of the program that are covered by RA 11310 are beyond the Department's control until such time that the aforementioned republic act has been amended.

2. Sec. 10 - Periodic Assessment of RA 11310 already states that:

*“Provided, That every six (6) years after the effectivity of this Act, the PIDS shall recommend to the NAC whether the cash grants shall be adjusted to its present value using the consumer price index, as published by the PSA: Provided, further, That the NAC shall ensure that the grant amounts are sufficient to make a positive impact on the health, nutrition, and education of the beneficiaries and are timely received and spent by the beneficiaries.*

RA 11310 provides that the Philippine Institute for Development Studies (PIDS) should recommend any adjustment in the cash grants. The DSWD may invite the PIDS during the meetings of the NAC to discuss this matter.

3. While the Department appreciates the call for increasing the cash grants, it is recommended that the amount of the grants should not be too high that it may foster dependency or too low that it would be neglected by the beneficiaries.

**III. On House Resolution No. 194 - A Resolution Urging the Department of Social Welfare and Development to Update the List of Household-Beneficiaries of the Pantawid Pamilyang Pilipino Program:**

1. Over the years, the 4Ps has been abiding with the mandate to use the Listahanan as the primary source for identification of the program's beneficiaries. There have been three waves of Listahanan (L1, L2, and L3) conducted by the DSWD through the National Household Targeting Office (NHTO). The 4Ps is awaiting the full release of the result of Listahanan 3 to update the enlistment of new poor, which at the moment is being subjected for validation.

Currently there is no move yet to enlist additional program beneficiaries as there is a need to update the registry of poor households, re-assess the level of well-being of the current program beneficiaries. The timeline of validation, graduation, appeals and replacement of households will run from August to December 2022 with the initial breakdown under Annex A.

2. The COVID-19 pandemic caused delay in the scheduled updating of the Listahanan 3. The Listahanan 3 survey was done in 2019 to 2020 which may not be reflective anymore of the real situation at the moment. Thus, the Department is focusing its efforts to ensure that the validation process will fully capture the current situation of household-beneficiaries.
- IV. On **House Resolution No. 200 - Resolution Urging the Committee on Social Services and Committee on Poverty Alleviation to Conduct an Inquiry, In Aid of Legislation, on the Delisting of Around 1.3 Million Beneficiaries of Pantawid Pamilyang Pilipino (4Ps) by the Department Of Social Welfare and Development (DSWD):**
1. Under the **3rd paragraph**: Aside from being the lifeline to 4.4 million families, may we also add the following findings wherein the program has made a positive impact:
    - a. 4Ps program was tagged as one of the three (3) main drivers of poverty reduction in the Philippines, which is government cash transfer, based on the 2018 Philippine Poverty Statement of World Bank;
    - b. 4Ps has contributed 1.4% poverty reduction in 2013, 1.5% in 2015 and 1.3% in 2017;
    - c. The National Economic and Development Authority (NEDA) cited 4Ps as one of the major factors in its improvement of poverty reduction by augmenting the income of poor households under the 2015 Official Poverty Statistics and its 2017 Social-Economic Report;
    - d. Three (3) waves of 4Ps Impact Evaluation (IE 1 in 2012, IE2 in 2015 and IE3 in 2018) has consistently shown that 4Ps has kept children in school and healthy; and
    - e. The number of households that graduated or have reached the self-sufficiency level of well-being has increased from 389,327 in 2015 to 838,483 based on the Social Welfare and Development Indicators(SWDI) 2019 results.
  2. Under the **8th Paragraph**: Under the 2021 Full Year Official Poverty Statistics of the Philippines<sup>1</sup> published by the PSA, *“the average family income needed to meet minimum basic food and non-food needs of a family with five members in 2021 was estimated at PhP 12,030 per month. This amount is also called the poverty threshold, which was higher by 11.8 percent from the estimated PhP 10,756 monthly poverty threshold for a five-member family in 2018. On the other hand, the average family income needed to meet the minimum basic food needs of a five-member family in 2021 was placed at Php 8,379 per month, an amount higher than the food threshold in 2018 of about PhP 7,553.*

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<sup>1</sup> PSA, 2021 Full Year Poverty Statistics of the Philippines

The poverty threshold is computed using a scientific method. Nevertheless, the computation can still be improved by widening the coverage of places to obtain prices in order to improve the computation of prices in the menus or food bundles, which is used as one of the basis in the computation. The complete technical notes on the official poverty estimation methodology is available on the same report in pages 100 - 106.

While we recognize that the DSWD is an end user of the “poverty threshold” data, we encourage our legislators to engage with the PSA and NEDA to come up with a realistic computation of the poverty threshold.

3. Under the **9th paragraph**: Sec. 34 of the Implementing Rules and Regulations (IRR) of RA 11310 states that:

*“As provided under Rule III, Sec. 4 and Rule V, Sec. 6 to 9 of this IRR, a qualified household beneficiary shall remain in the program. However subject to the following instances, without prejudice to Sec. 16 of Rule IX of Case Management and Non-compliance with conditions, a qualified household-beneficiary shall be deemed to exit from the program, whichever comes first, when:*

- a. The last monitored child in the household turns 19 years old;*
- b. The last monitored child in the household finishes high school;*
- c. The household reaches the 7-year duration in the program;*
- d. The household is no longer poor, based on the last assessment through the adopted standardized targeting system;*
- e. The household voluntarily waives its membership from the Program; or*
- f. The household commits offenses wherein the sanction is delisting, subject to the standards to be developed by the DSWD.*

This provision under the IRR provides for the delisting of households before the periodic updating of the Listahanan given that conditions laid out in the program cannot be met by beneficiaries anymore (ages and educational attainment of households). There is also a possibility that households have waived their membership from the program.

4. Under the **10th Paragraph**: The 4Ps is guided by the law and is expected to be implemented as stipulated in the RA 11310. Hence, 4Ps delisting process continues unless halted per agreement of all the NAC members.

In 2022, 4Ps have delisted a total of 338,178<sup>2</sup> 4Ps Households where 271,897 of them were delisted due to being inactive in the program for so long, 59,577 delisted due to natural attrition/having no eligible (0 - 18 years old) household member for

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<sup>2</sup> Data generated as of 31 August 2022

monitoring, and 2,592 were delisted due to exit to the program reaching improved well-being. Other reasons for delisting are shown in the table below:

Client Status	No. of Households
Exited with improved level of well-being	2,592
Grievance Redress System (GRS) delisted due to misbehavior	1,793
Duplicates	1,031
Delisted due to non-compliance	66
Waived	1,065
GRS delisted due to disqualification	157
No eligible (0-18 year old) for compliance verification system (CVS) monitoring as certified by Regional Program Management Office (RPMO)	59,577
Delisted due to aging inactive status in the program	271,897
<b>TOTAL</b>	<b>338,178</b>

Nevertheless, the DSWD continued providing additional aid to 4Ps beneficiaries per the agreement of the NAC members. During the on-set of the pandemic, the NAC released a force majeure from March to September 2020. During this period, the Department did not require the compliance to the 4Ps conditions to be given 4Ps grants. And under the Bayanihan Act I and II, 4Ps beneficiaries received Social Amelioration Program (SAP) grants on top of their 4Ps grants.

In addition, when oil price hike was experienced, 4Ps beneficiaries were also identified as beneficiaries of the Targeted Cash Transfer (TCT) to ease the impact of the fuel price hike.

5. Under the **12th Paragraph**: Aside from the mentioned cash reward, the 4Ps has a system in place that receives grievances via: email, Facebook, Short Messaging System (SMS), phone call, snail mail, among others. Aside from these, there are case managers who ensure that the beneficiaries assigned are properly monitored.

The Department recognizes that to fully monitor all beneficiaries, it needs additional manpower. Thus, it would be beneficial to allot additional funding for the hiring of additional human resources; in particular, more City and/or Municipal Links who will monitor the progress of their caseloads.

6. Under the **13th Paragraph**: The DSWD recognizes that there is a need to update the registry of poor households, re-assess the level of well-being of the current program beneficiaries. Hence, the department conducts validation, graduation, appeals and replacement of households which will run from August to December 2022 with the breakdown under Annex A.

The result of the validation would help determine who among the initially tagged “non-poor” in the Listahanan 3 are really non-poor and those who are poor and will continue to be a beneficiary of 4Ps. Moreover, there will definitely be new households who will be registered as 4Ps beneficiaries but as revalidation is still on-going, there is no move yet to enlist additional program beneficiaries.

#### V. On Privileged Speech No. 18 - Delisting of 4Ps Families

The delisting of 1.3 million is merely a rough estimate based on the latest data provided by the monitoring and evaluation team of 4Ps. We would also like to note that DSWD has not released any official memorandum, backing the declaration of delisting 1.3 million beneficiaries.

Moreover, delisting a 4Ps household beneficiary does not necessarily mean that the Department will stop giving aid to the households. As provided in the **Implementing Rules and Regulations of RA 11310, Rule XV. Exit from 4Ps, Sec. 34**:

*The DSWD, in consultation with the NAC, will formulate specific exit procedures under this Rule including the creating of a household intervention plan (HIP). The graduation, as defined in this IRR, of the qualified household-beneficiaries shall lead to their eventual exit from the Program.*

In other words, there is no cause for worry for the number of 4Ps household beneficiaries to be delisted, as the latter will be taken care of accordingly through other interventions beyond that of 4Ps.

1. In the speech of Rep. Daza, he mentioned, “... *I think that’s the challenge for the 19th Congress - how we can work together with the Executive branch to bring down the poverty incidence, bring up the GDP growth, and I think we are all excited to work with the President and the Cabinet in finding ways to improve the economy and at the same time help more poor families.*”

The Committee may consider constituting the 4Ps Congressional Oversight Committee as stated under Sec. 21 of RA 11310. This will help legislators in determining “inherent weaknesses in the law and recommend necessary remedial legislation or executive measures” as provided by Sec. 21.

It is important that the 4Ps Oversight Committee gather all relevant government agencies as tackling the issue of poverty, and should be addressed using a whole-of-government approach. In addition, it is recommended as well to review existing government programs and its target beneficiaries so as to ensure that all those who need assistance - eligible 4Ps beneficiaries and other poor members of the society not covered by the program will be provided with the necessary assistance.

2. In the speech of Rep. Daza, he mentioned, *“We probably should be adding more families in 4Ps rather than making general statements and saying that we will delist 1.3 million families...”*

Sec. 6 of RA 11310 enumerates the eligible beneficiaries who are automatically included in the standardized targeting system to be conducted by the DSWD, which will be subjected to eligibility check.

3. In the speech of Rep. Abalos, he asked: *“Maari po bang malaman kung ano ang mga proseso, mekanismo, pamamaraan, parameters na ginamit para sa pag-identify at ma-determine ang 1.3 milyong sambahayan na naisama sa listahanan na grumadweyt? Is the national household targeting system or Listahanan still an effective tool in identifying the beneficiaries for poverty and reduction programs of the national government including 4Ps?”*

Not all of the 1.3 million households identified as “non-poor” households in the latest released Listahanan 3 will be removed. These households are still subject to validation, graduation, appeals and replacement of households, which will run from August to December 2022. The procedure to be undertaken is provided under Annex B.

4. In the speech of Rep. Daza, he mentioned, *“So I think it is highly unlikely DSWD can accurately say that they will delist 1.3 million because we just can’t do 1.3 families that fast when I think in the last two, three years, we’ve only delisted for various reasons, maybe a few hundred thousand.”*

To reiterate, the DSWD recognizes that there is a need to update the registry of poor households, re-assess the level of well-being of the current program beneficiaries. Hence, the Department conducts validation, graduation, appeals and replacement of households which will run from August to December 2022 with the breakdown under Annex A.

The results of the validation would help determine who among the initially tagged “non-poor” in the Listahanan 3 are really non-poor and those who are poor and will continue to be a beneficiary of 4Ps. Moreover, there will definitely be new households who will be registered as 4Ps beneficiaries but as revalidation is still on-going, there is no move yet to enlist additional program beneficiaries.

5. In the speech of Rep. Lagman, he mentioned, *“...well, practically, every administration has its own definition of poverty and this is actually done by the NEDA, not by the DSWD. Not is measured by a basket of commodities and goods. I think the present administration has not yet come out with its own definition of what is poverty and what is the poverty threshold. And I think before we delist the 4Ps about 1.3 million beneficiaries, we should first establish what this administration would define poverty and poverty threshold.”*



*“...We probably should be adding more families in 4Ps rather than making general statements and saying that we will delist 1.3 million families. “*

The PSA defines the poor based on Sec. 3 of Republic Act No. 8425 of 1997 or the Social Reform and Poverty Alleviation Act. The agency follows the NEDA definition of poor as individuals and families whose income falls below the poverty threshold or those who “cannot afford in a sustained manner to provide their minimum basic needs of food, health, education, housing and other essential amenities of life.” The same definition is being used by the DSWD.

As published by the PSA, the following terms were defined as follows:

- A. **Poverty Threshold** is the minimum income / expenditure required for a family/individual to meet the basic food and non-food requirements. Where the basic food requirements are currently based on 100% adequacy for the Recommended Energy and Nutrient Intake (RENI) for protein and energy, equivalent to an average of 2000 kilocalories per capita, and 80% adequacy for other nutrients. On the other hand, basic non-food requirements, indirectly estimated by obtaining the ratio of food to total basic expenditures from a reference group of families, cover expenditure on:
- clothing and footwear;
  - Housing;
  - Fuel, light, water;
  - Maintenance and minor repairs;
  - Rental of occupied dwelling units;
  - Medical care
  - Education
  - Transportation and communication
  - Non-durable furnishings
  - household operations; and
  - Personal Care and effects<sup>3</sup>
- B. **Poverty Incidence (PI)** is the proportion of families / individuals with per capita income/ expenditures less than the per capita poverty threshold to the total number of families / individuals.
6. In the speech of Rep. Daza was mentioned, *“as I mentioned earlier enumerators will actually go out to the barangays and take a look at the household and see based on certain socioeconomic factors, obviously, if they have a car in the house, they’re not going to be included as poor for the 4Ps program. But if they’re living by the seaside, nipa hut, obvious na talagang mahirap, living in a danger zone, pinapasok po iyan sa 4Ps”.*

Sec. 5 provides for the selection of household-beneficiaries while Sec. 6 provides for the eligible beneficiaries under RA 11310. Household beneficiaries

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<sup>3</sup> PSA official definition of terms for Poverty Threshold using reference: 1997 Philippine Poverty Statistics; Board Resolution: Resolution No. 2 - Series of 2007; approved: 2/14/2007

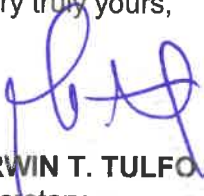
are only eligible for the cash grants if their households or families meet the criteria stated in Sec. 6.

Therefore, while the above vulnerable groups are automatically eligible for inclusion in the standardized targeting system, automatic registration as 4Ps beneficiaries is not guaranteed as the above criteria (a to c) must also be met.

This is being submitted for the Chairperson's consideration.

Thank you.

Very truly yours,



**ERWIN T. TULFO**

Secretary

Date: 07 OCT 2022

## ANNEX A

Result of the on-going validation as of 19 September 2022:

- Of the **1,349,634** households that identified themselves as 4Ps beneficiaries during the Listahanan 3 assessment turned out to be non-poor, **1,241,740** (or 92.01%) were found to be registered in the program based on desk validation by the DSWD Field Offices;
- From the desk-validated households, **187,676** (or 15.11%) are already delisted due to various reasons (including natural attrition, waiving of membership and graduation from the program, among others) and **24,197** (1.95%) are inactive, while the remaining **1,029,867** (82.94%) are active;
- Out of the **1,029,867** active households, **619,471** (or 60.15%) were validated by the DSWD Field Offices from which **380,353** (or 61.40%) are recommended for retention and **239,118** (or 38.69%) are recommended for delisting; and
- The remaining **410,396** active households are subject to field validation by the DSWD Field Offices.

## ANNEX B

### VALIDATION (August to September)

- Home visits and desk review to check household profile and well-being (income, employment, education, health, vulnerabilities, etc.);
- Validating current socio-economic profiles

### GRADUATION (October)

- Preparation of case summaries/case folders per client and endorsement to local government units (LGUs);
- Provision of graduation package and linkaging with other programs
  - ❖ DSWD Sustainable Livelihood Program (SLP) and/or Assistance to Individuals in Crisis Situation (AICS);
  - ❖ Commission on Higher Education's (CHED) Free Tertiary Education;
  - ❖ Department of Science and Technology (DOST) Small Enterprise Technology Upgrading Program (SET UP);
  - ❖ LGU Public Employment Service Office (PESO), among others.
- Ceremonial turnover to LGUs

### APPEALS - 30 days upon receipt (October)

- 4Ps Grievance Redress System (GRS) as channel of reporting appeals from 4Ps beneficiaries;
- Endorsement to National Household Targeting Office (NHTO) to address appeals, either:
- Certification
- Reassessment / Proxy-Means Test (PMT) Rerunning

### REPLACEMENT (Nov-Dec)

- Turnover of NHTO to 4Ps of the new poor;
- Checking who are eligible, i.e. poor with 0-18 y/o children and/or pregnant member;
- Validation and updating of household information to determine current schools and health facilities, addresses, among others;
- Orientation about 4Ps conditions and responsibilities and issuance of Oath of Commitment