



## *The Socpen and its role in closing the coverage gap among poor elderly Filipinos*

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*The Social Pension for Indigent Senior Citizens (Socpen) was set up by the Department of Social Welfare and Development in 2010 to extend additional financial assistance to poor elderly Filipinos and help fulfill the objectives of Republic Act No. 9994 or the “Expanded Senior Citizens Act of 2010.” In 6 years of the program, Socpen was able to more than double the coverage of Philippine pension system from 15.3% coverage of SSS and GSIS in 2010 to 36% with Socpen in 2016. By providing a monthly assistance of Php500 to seniors from lower income groups, many of whom are in the Listahanan—the Government’s database of poor—the program introduces a poverty focus into the Philippine pension system. However, Socpen’s poverty mitigating impact may diminish over time if program benefit levels do not keep pace with increasing prices, delays in releasing grants continue, and beneficiary selection using the Listahanan is not maintained or remain without consistent and clear standards. The program will benefit from a more consistent implementation by establishing and maintaining standardized operational procedures and including processes for regular program monitoring and evaluation. The Government needs to explore more efficient and less costly payment modes for Socpen. Given low benefit levels the Socpen provides, the Government can explore increasing benefits for the elderly through other complementary programs. Harmonizing social protection programs within DSWD and across the government is important in ensuring greater coherence in building risk resilience among poor and vulnerable sectors, including the elderly indigents.*

### I. Introduction

1. Since the formulation of the Philippine Development Plan (PDP) of 2010-2016, social protection (SP) has figured more prominently in the country’s development agenda and in policy dialogs. The PDP for 2017-2022 continues the same emphasis on SP (National Economic and Development Authority (NEDA), 2017a). For the first time, policies to achieve social protection for all Filipinos have been featured in the PDP, with the view to building resilience of Filipinos,

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their families and communities. Specific strategies include enhancing social protection for the informal sector, improving the social pension system, strengthening mechanisms to ensure enrolment in the social security system, expanding health insurance packages, establishing an unemployment insurance system, among others. Further, the PDP also highlights the requirements to address implementation issues on convergence, planning, mainstreaming of SP at the local level, including better M&E, collection and use of data. The PDP puts flesh into how the country can attain its long-term development vision of a prosperous, predominantly middle-class society where no one is poor, articulated in *Ambisyon Natin 2040* (NEDA, 2017b).

2. While the country has paid more attention in recent years to SP, it still has not been able to provide old-age income security to all through the pension system. To partially address this concern, in 2017, the government increased benefit levels of senior citizens (i.e., those aged 60 and over) receiving contributory pensions as well as continued to increase social pension coverage of indigent senior citizens (with a doubled physical target of 2.8 million elderly compared to 1.4 million the previous year). In 2018, coverage and budgets are again going to increase from those of last year, but with a smaller growth rate than that of the previous year. Although pension schemes in the Philippines have been given more attention especially of late, overall coverage remains limited, especially with reference to other middle-income countries and its neighbors in the ASEAN region (Figure 1).

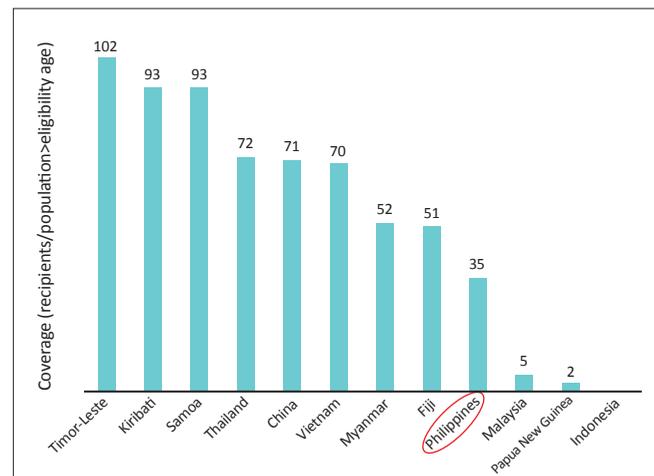
3. With the growing concern for the elderly and their income security, several laws have been enacted regarding pension systems. These legislations have led to the establishment of institutions that manage mandatory contributions from employees in the public and private sectors, to the recent provision of non-contributory pensions for elderly indigents (Box 1). Proposals are underway for further reforming the contributory pension system, particularly the Social Security System (SSS), to enable it to easily diversify its investments, and for the SSS to further improve the benefits being disbursed to its members.

4. The inability of most contributory pension systems in developing countries to reach a significant share of their respective populations is, in fact, recognized as one of their principal weaknesses. As in many countries, coverage to a pension scheme in the Philippines is generally low and mandatory only to formal workers. Even then, coverage to both SSS and the Government Social Insurance System (GSIS) has only been at less than a third of the labor force as of 2013. Only about 25 percent of those employed actively contribute to the SSS. Another 3.4 percent contribute to the GSIS. As a result, only 17.5% of senior citizens benefit from old age pensions of SSS and GSIS.<sup>2</sup>

**Box 1. Existing Philippine legislations governing elderly pensions**

Commonwealth Act No. 186 of 1936	Establishes GSIS
Republic Act (RA) No. 1161 (Social Security Act of 1954)	Establishes SSS
RA No. 1792; RA No. 8282 (Social Security Act of 1997)	Refine SSS and operations
RA No. 660; Presidential Decree 1146 of 1977, and RA No. 8291 (GSIS Act of 1997)	Refine GSIS and operations
RA No. 9994 (Section 5, Paragraph H, Number 1) and Implementing Rules and Regulations of RA 9994 (Rule V, Article 20, Section 1)	Covers social pension for elderly indigents

**Figure 1.** Share of population 60+ years old receiving social pension in neighboring countries (%)



Source: HelpAge International in <http://www.pension-watch.net/pensions/social-pensions-database/visualisation-coverage-of-social-pensions/>, accessed 11 June 2018.

Notes: The chart shows the proportion of older people over the specified age of eligibility who are receiving a social pension. The figures are calculated by comparing administrative data on numbers of recipients to population data (mostly taken from the UN Population Division's World Population Prospects). Cases where coverage is over 100 per cent may be due to errors in population estimates and projections.

<sup>2</sup> For details on the SSS and GSIS pensions review, refer to Dorfman, M. C., Bogomolova, T., Razat, M., 2016.

5. A bigger challenge is covering informal workers, which constitute around 75 percent of Filipino workers, and poorer segments of the population who do not have capacity to pay monthly contributions. In 2011, the Philippine Government established a non-contributory social pension program to assist indigent senior citizens. The Department of Social Welfare and Development (DSWD), as the country's lead government agency in social services and social assistance programs, implements the Socpen to extend pension coverage to elderly indigents.

6. While aggregate figures of poverty show that the elderly may not be less poor than the average Filipino (Table 1), these figures hide vulnerabilities of certain segments of elderly. Many of the elderly may not be poor because they live with relatives who are able to support their needs. Those who have planned their retirement well, reap the fruits from their productive years. However, these sources of income and support face volatilities as well. COSE/HelpAge (2017) suggests that estimates of indigent seniors may be understated depending on the assumptions for poverty measurement. For these reasons, some stakeholders urge government to work toward universal social protection for the elderly who have devoted a lifetime of work and care for their respective families, as well as for their contribution to the current good health of the national finances. On the other hand, a more compelling argument is to target assistance to indigent seniors mainly for budgetary reasons. Senior citizens are thus among the basic sectors represented in the National Anti-Poverty Commission, as per RA 8425 (also known as the "Social Reform and Poverty Alleviation Act of 1997"). With the growing attention to resilience building, government has put premium into assisting senior citizens, especially those who are economically deprived.

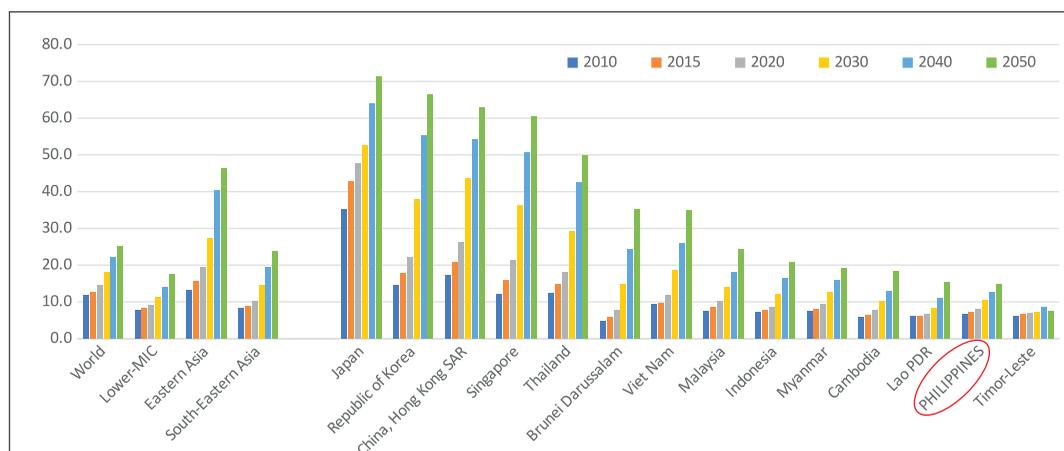
7. Extending pension coverage in the Philippines is an important priority. The Philippines is a young country compared to many other countries in the world. As of 2015, its population is one of the youngest profiles in East Asia and the Pacific region and is aging at a rate slower than most other countries. Old age dependency rates have been slower and less severe for the Philippines than for other countries in Asia and other middle-income countries (Figure 2). However, even with a lag, the Philippines is facing the impending challenge of an aging population. A larger share and a bigger magnitude of the population are expected to reach old age. For slightly over half a century, life expectancy at birth has grown from 55 years in 1960 to around 69 years in 2015. This growth in life expectancy, coupled with reduced fertility rates, have led to official projections of a changing shape of the population from a pyramid to a gradually ageing distribution (Figure 3). The number of senior citizens, which has grown from 6.3 million in 2010 to 7.6 million in 2015, is expected to reach 11.7 million by 2025, and 22.6 million in 2045. The projections for the senior citizen population in 2025 is nearly double the population of persons 60 years and over in 2010, while the projections for 2045 are about triple the population in 2015.

**Table 1.** Poverty incidence by age group, 2006-2015

Age Group	2006	2009	2012	2015
75 yrs old above	17.3	15.9	18.0	13.9
60-75 yrs old	16.8	16.2	15.9	13.0
18-59 yrs old	20.7	20.7	21.8	17.6
18 yrs old below	34.7	34.7	34.7	30.9
<b>Filipinos from all age groups</b>	<b>26.6</b>	<b>26.3</b>	<b>25.2</b>	<b>21.6</b>

Sources: Authors' estimates using data from the Family Income and Expenditure Survey (FIES) and Labor Force Survey (LFS).

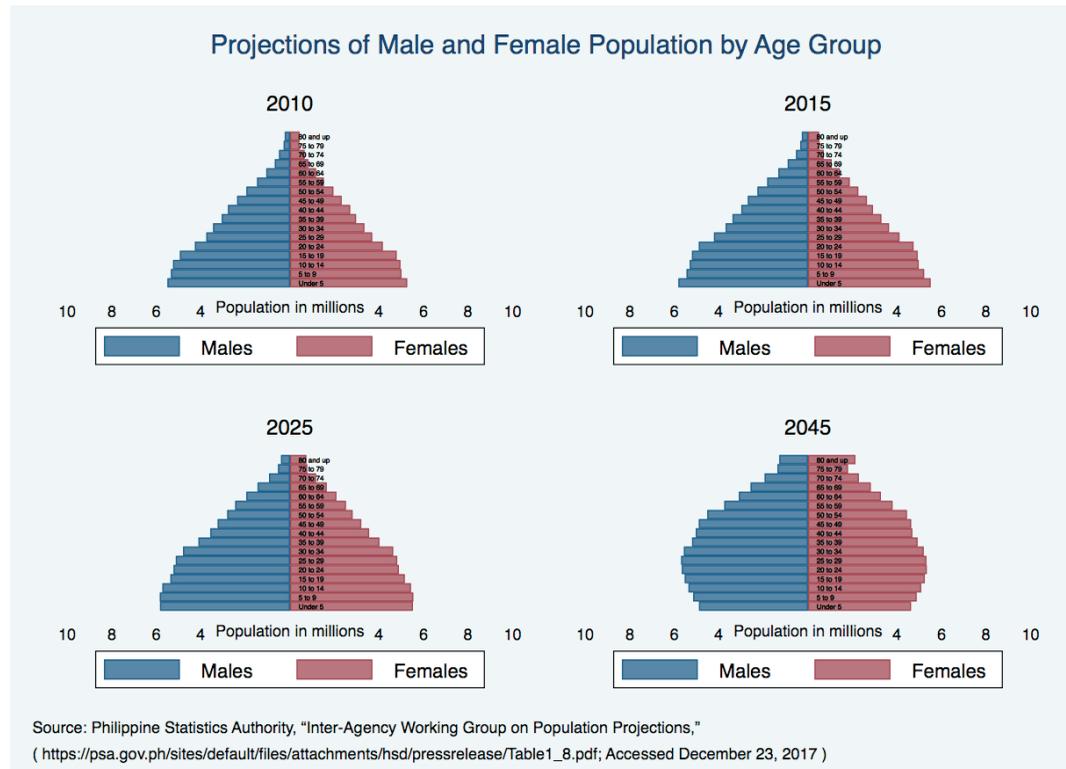
**Figure 2.** Old-age dependency ratios and projections (ratio of population aged 65+ per 100 population 15-64), 2010-2050



Source: United Nations Population Division, World Population Prospects, the 2015 Revision. Available in <http://esa.un.org/unpd/wpp/DataQuery/>, accessed 09 Feb 2018.



Figure 3. Projections of Philippine population by gender and age, 2010-2045



Source of basic data: Philippine Statistics Authority (PSA)

8. This note examines the role of Socpen in expanding access of poor elderly Filipinos to old-age income support. It evaluates at the program’s objectives and design, institutional arrangements, expenditure and financing, operational structure. Based on existing program structures, it presents recommendations for improving governance, monitoring and oversight, harmonization and integration of these programs with other government programs in terms of beneficiary selection, and other implementation mechanisms.

## II. Basic Features of the Philippines’ Social Pension Program for Indigent Senior Citizens (Socpen)

9. Compared to contributory pensions schemes of the GSIS and SSS that have existed for at least 6 decades, the Socpen is a fairly recent addition to the Philippines’ pension system. It was established in 2010 by virtue of DSWD Administrative Order 15 (AO-15) series of 2010 with an overarching goal of fulfilling the provisions of Republic Act No. 9994, also known as the “Expanded Senior Citizens Act of 2010.” The law provides for privileges and discounts to Philippine citizens aged 60 years old and above (seniors) on specific services including on medicines and medical services, transportation, recreation, utilities, income tax exemptions, and priority/express lane services in establishments (Box 2). The law also provides seniors with Government assistance such as Philhealth coverage, which became mandatory for all seniors in 2014 through Republic Act No. 10645, and other forms of cash assistance for qualified poor seniors in the event of calamities, sickness, or death. The Socpen adds to the benefits that intend to provide cash assistance to poor seniors.

10. AO-15 articulates that the Socpen’s program main objective is to “improve the living conditions of eligible indigent senior citizens.” Further, it states that the following specific objectives of the program:

- (i) To augment capacity of indigent senior citizens to meet their daily subsistence and medical requirements;
- (ii) To reduce incidence of hunger among indigent senior citizens; and,
- (iii) To protect indigent senior citizens from neglect, abuse or deprivation.

## Box 2. Benefits and Privileges of Filipino Seniors based on the Expanded Senior Citizens Act

<p><b>1. DISCOUNTS: 20% discount on:</b></p> <p>Medical-related privileges</p> <ul style="list-style-type: none"> <li>Medicine and drug purchases</li> <li>Medical supplies, accessories and equipment</li> <li>Medical and dental services</li> <li>Professional fees of attending physician</li> <li>Professional fees of licensed health workers providing home health care services</li> </ul> <p>Transportation</p> <ul style="list-style-type: none"> <li>Land: LRT, MRT, PNR, buses, jeepneys, taxi and shuttle services</li> <li>Air and Sea</li> </ul> <p>Hotels, restaurants, recreational facilities, places of leisure</p> <ul style="list-style-type: none"> <li>Hotels, restaurants, theaters, cinemas, concert halls, circuses, leisure and amusement</li> </ul> <p>Funeral services</p> <ul style="list-style-type: none"> <li>Funeral and burial expenses include casket or urn, embalming, cremation cost, and other services</li> </ul> <p>Recreation centers</p> <ul style="list-style-type: none"> <li>Fees, charges and rental for sports facilities and equipment</li> </ul> <p>Utility discount</p> <ul style="list-style-type: none"> <li>Grant of a minimum of 5% discount relative to the monthly use of water and electricity, provided that the meter is registered under the name of the senior citizen residing therein and does not exceed 100 kWh and 30 m<sup>3</sup></li> </ul>	<p><b>3. FREEBIES</b></p> <ul style="list-style-type: none"> <li>Free medical and dental services</li> <li>Free vaccinations</li> </ul> <p><b>4. GOVERNMENT ASSISTANCE</b></p> <p>Social Pension</p> <ul style="list-style-type: none"> <li>Indigent senior citizens shall be entitled to a monthly stipend amounting to P500 to augment daily subsistence and other medical needs.</li> </ul> <p>Mandatory PhilHealth coverage</p> <ul style="list-style-type: none"> <li>All senior citizens are covered by the national health insurance program of PhilHealth</li> </ul> <p>Social safety nets</p> <ul style="list-style-type: none"> <li>The social safety assistance shall include, but not be limited to, food, medicines, and financial assistance for house repair to cushion effects of economic, disaster and calamity shocks.</li> </ul> <p>Death benefit assistance</p> <ul style="list-style-type: none"> <li>Assistance of a minimum of P2,000 shall be given to the nearest surviving relative who took care of the deceased senior citizen.</li> </ul>
<p><b>2. EXEMPTIONS</b></p> <p>Tax exemption</p> <ul style="list-style-type: none"> <li>Exemption from payment of individual income tax of those who are considered to be minimum wage earners</li> </ul> <p>Training fee exemption</p> <ul style="list-style-type: none"> <li>Training fees for socio-economic programs conducted by private and government agencies subject to the guidelines issued by DTI, DOLE, DA, TESDA and DOST-T</li> </ul>	<p><b>5. OTHERS</b></p> <p>Express lanes</p> <ul style="list-style-type: none"> <li>Express lanes shall be provided in all private, banking, commercial and government establishments; priority shall be given in their absence.</li> </ul> <p>Educational privileges</p> <ul style="list-style-type: none"> <li>Assistance shall be granted to senior citizens to pursue education through provision of scholarships, grants, financial aids, subsidies and other incentives.</li> </ul> <p>Benefits and privileges for retirees</p> <ul style="list-style-type: none"> <li>Continuance of the same benefits and privileges by GSIS, SSS and PAG-IBIG as enjoyed by those in active service</li> <li>Privileges on special discounts in special programs</li> </ul>

Sources: Republic Act 9994, Republic Act 10645.

11. To meet these objectives, AO-15 sets a monthly stipend of five hundred pesos (Php500) for indigent senior citizens to augment their daily subsistence and medical needs. The cash assistance is extended to qualified senior citizens who are not covered by GSIS, SSS or any form of pension. AO-15 also articulates that a periodic review of the amount of cash assistance is to be undertaken by Congress every 2 years.

### Institutional Arrangement

12. The DSWD implements the Socpen through its Social Pension Management Office (SPMO). The program's initial design and operational policy guidelines are outlined in AO-15 of 2010 and in Administrative Order 3 (AO-3) of 2011, respectively. Day-to-day program operations involve both the SPMO at the central level and the Regional Socpen Units (RSPU) in the regional offices of DSWD. While Republic Act 7160 (1991 Local Government Code) devolved the administration of DSWD's social services to the local government units (LGUs), Socpen was one of the few programs of the Department that remained centrally implemented. Field operations is manned by DSWD-hired workers assigned in the regions.



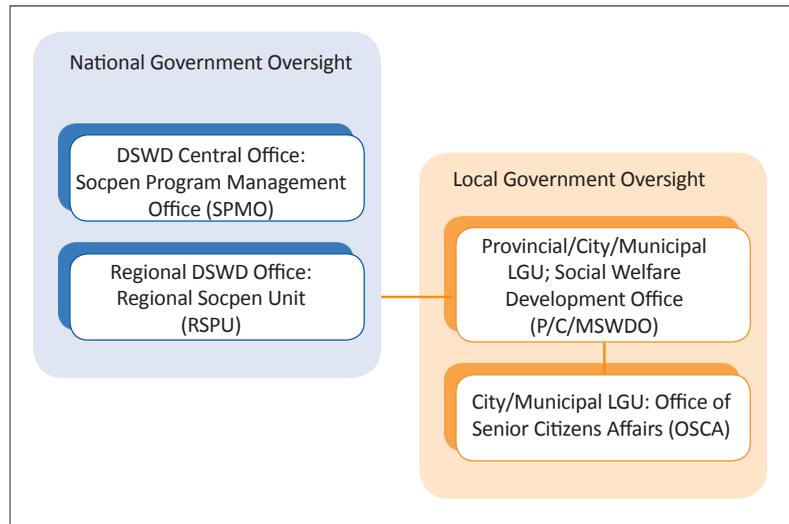
13. Since the Socpen's inception, the SPMO has been under DSWD's Protective Services Bureau (PSB). With the recent restructuring in DSWD that became effective in 09 March 2018, oversight of the Socpen was moved to a newly-created bureau, the Community Programs and Services Bureau (CPSB). Meanwhile, all other social services of the DSWD are being implemented in coordination and partnership with the LGUs, particularly the City/Municipal Social Welfare Development Offices (C/MSWDOs) and the Office of Senior Citizens Affairs (OSCA) (Figure 4).

14. At the DSWD Central Office, the SPMO takes responsibility for the overall implementation as well as monitoring and evaluation (M&E) of the program. SPMO staff are expected to (i) maintain a Socpen national database and webpage; (ii) provide technical assistance to the DSWD Regional Socpen Focal Person, (iii) submit implementation reports to DSWD management on the program, and (iii) develop grievance mechanisms for the program; (iv) prepare annual costing of the program; (v) conduct social preparation and advocacy activities; and (vi) develop a medium-term management plan and communication strategy for the program. At the regional level, the Regional Socpen Unit (RSPU) oversees Socpen operations, including pay-outs. It is expected to maintain a Socpen databank (and website), and handle grievances elevated by the OSCA. Regional Socpen Staff (RSPS), especially the Regional Socpen Focal Person, provides technical assistance to LGU program implementers (especially OSCA), coordinates with SPMO at the national level, as well as prepares (i) monitoring (and accomplishment) reports to the SPMO on the program every middle of the month; (ii) quarterly financial reports (discussing fund utilization and documenting beneficiaries paid) to the SPMO and the Financial Management Service (FMS) of the Department. The FMS, in turn, provides a quarterly financial report to the Undersecretary of the General Administration and Support Services Group, while SPMO provides a consolidated regional accomplishment report to the DSWD Secretary at the end of the month.

15. At the provincial level, the LGU, through its Local Chief Executive (LCE) and its provincial social welfare and development office (PSWDO), monitors province-wide Socpen implementation. The LCE and PSWDO are expected to work for the necessary political support from province officials, including possibly the augmentation of funds for Socpen in the poorest municipalities. The LCEs, PSWDOs and C/MSWDOs are DSWD partners in the Socpen implementation in terms of validation, identification of potential beneficiaries, augmentation to logistical needs for the various activities being conducted by the DSWD at the LGUs, among others. Some PSWDOs are directly /actively involved in some of the DSWD-funded programs/projects/services being undertaken in partnership with the City/Municipal LGUs. Guidelines though do not specify if PSWDOs are expected to accomplish specific regular reports, and in what frequency.

16. At the city/municipal level, the LGU, through the OSCA and the C/MSWDO, acts as co-implementer of the Socpen. The OSCA submits a monthly monitoring and accomplishment report every fifth of the month to the C/MSWDO, which, in turn, submits its own monthly monitoring and accomplish report to the RSPU every tenth of the month. While some of the monthly monitoring may seem superfluous as much of the operations (particularly the payment processes) are undertaken quarterly, some activities specifically, enrolment of new applicants, replacement of social pensioners, grievance processes, continue.

Figure 4. Implementation oversight of Socpen



Sources: Based on DSWD AO-15 series of 2010 and AO-3 series of 2011.

## Eligibility and Program Coverage

17. The first set of policy guidelines on Socpen, AO 15 series of 2010, defined “indigent senior citizens” as the beneficiaries of Socpen. They are Filipinos aged at least 60 years old who are frail, sickly, or with disability and without pension or permanent source of income or regular support from his/her relatives to meet his/her basic needs, as determined by the DSWD NHTS-PR (National Household Targeting System for Poverty Reduction), otherwise known as *Listahanan*. The use of the *Listahanan* as the basis for the selection of Socpen beneficiaries was also articulated in Executive Order No. 867 series of 2010 (signed by then President Gloria Macapagal Arroyo). The Implementing Rules and Regulations (IRRs) of RA 9994, specifically Rule III, Article 5 Definition of Terms, also point out that targeting with the *Listahanan* will be “determined by the DSWD in consultation with the National Coordinating and Monitoring Board (NCMB).” The NCMB is composed of selected national agencies such as the Department of Health (DOH), the Department of Trade and Industry (DTI), the Department of Interior and Local Governments (DILG), the Department of Justice (DOJ), the Department of Labor and Employment (DOLE), as well as NGOs such as the Coalition of Services of the Elderly (COSE). Recognizing that the *Listahanan* is a static instrument to identify the poor<sup>3</sup>, DSWD allowed “on-demand” applicants into the program in cases where an applicant is not in the *Listahanan* database. In 2011, Administrative Order No. 3 (AO-3) expanded the Socpen’s target beneficiaries to those who were identified as “indigent” by the OSCA and C/MSWDO, in addition to those identified as elderly poor by *Listahanan* (Box 3).

18. The process of beneficiary identification for Socpen begins with a masterlist of potential program beneficiaries across the country drawn from the *Listahanan* (Figure 5). The masterlist consists of individuals aged 60 years and above in *Listahanan*-identified poor households. The DSWD’s National Household Targeting Office (NHTO), which manages the *Listahanan*, shared with the SPMO this masterlist. The SPMO, in turn, shared the masterlist of potential social pensioners to the DSWD Regional Offices through the Regional Socpen Focal Person. The regional list was then subsequently shared with and validated by the LGUs through representatives from the OSCA and C/MSWDO. LGU validation was carried out through interviews/home visits to potential beneficiaries by OSCA and C/MSWDO, and with assistance from senior citizens organizations (SCOs). The LGU “indigency” assessment involved validation of program eligibility criteria as defined in the AOs.

### Box 2. Socpen beneficiary selection, 2010-2011

Selection of Socpen program beneficiaries is guided by the following steps:

1. The DSWD National Household Targeting System for Poverty Reduction (NHTS-PR) data shall be the basis in determining the age and economic status of potential beneficiaries.
2. In cases where senior citizens are not included in the NHTS-PR data, indigent senior citizens can apply at the Office of the Senior Citizens Affairs (OSCA) subject to the “indigency” assessment by the OSCA and the City/Municipal Social Welfare and Development Office (C/MSWDO).
3. Senior citizens who are receiving pension from GSIS, SSS, AFPMBAL, and other private insurance companies, and with permanent source of income or regular support from his/her relatives to meet his/her basic needs are not entitled to the monthly stipend.

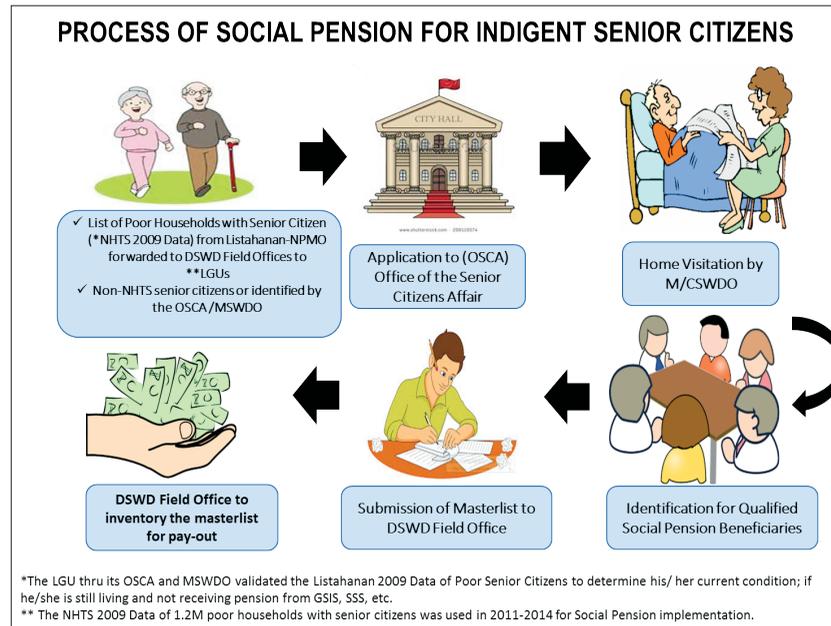
Sources: DSWD AO-15 of 2010 and AO-3 of 2011.

19. In 2014, eligibility for Socpen was further relaxed. AO-4 series of 2014 opened the program to “any elderly who is frail, sickly, or with disability, and without pension or permanent source of income, or regular source of income, compensation, or financial assistance from his/her relatives to support his/her basic needs” as new beneficiaries or replacement to former beneficiaries. An application form (filled-out by the applicant, Annex A) and an intake sheet (filled out by an LGU representative, Annex B) are used to collect and validate this information. Standards on identifying who among prospective pensioners qualify as indigent are, however, absent and may thus seriously affect Socpen’s effectiveness in protecting the elderly poor.

<sup>3</sup> To date, *Listahanan* has completed two massive nationwide data collections – first between 2007 and 2010, which was launched in 2011 (*Listahanan* 2011), and second in 2015, which was launched in 2016 (*Listahanan* 2015). *Listahanan* data on indigent elderly requires field validation (from LGU staff, i.e. C/MSWDO and OSCA) to determine if the elderly person is still living, his/her current address, documentary proof of his/her age, information on income and the lack of pension support from SSS, GSIS, etc. Feedback from LGU during validation activities is largely about the exclusion errors in *Listahanan*, i.e., elderly who are not in the *Listahanan*, particularly those who are abandoned/neglected by their respective families.



Figure 5. Beneficiary identification mechanism



Source: DSWD Social Pensions Management Office

20. Since the start of Socpen implementation in 2011, program implementers obliged all prospective social pensioners to submit to the OSCA or C/MSWDO a birth certificate or other valid Government identification that contains the senior's photo and date of birth. A prospective social pensioner is made to fill out an Application Form (Annex A), and provide a Certificate of Indigency from the barangay where senior citizen/applicant resides. Socpen applicants submitted these documentary requirements either personally to the OSCA or C/MSWDO or through their designated representative, typically a family member or relative who lives with them. The OSCA and the C/MSWDO assess the eligibility of applicants using age, health, and economic status as criteria. The latter reportedly means that the applicant should not be receiving pensions (from GSIS, SSS, Philippine Veterans Affairs Office or PVAO, or other insurance companies) and should not have regular income or regular support from family (i.e. relatives up the fourth level of consanguinity, including family members working abroad). Further, applicants are also evaluated for being frail, sickly and being with disability. However, the extent to which health status is applied by the LGU as eligibility criteria is unclear.

21. OSCA and C/MSWDO submit the list of eligible seniors with their corresponding social pension application and intake sheets to the SPMO through the RSPU. SPMO consolidates the list of new eligible seniors and further verifies from SSS and GSIS that they do not receive pensions from these institutions. After this final verification, LGU-identified eligible seniors are placed in two buckets: (1) granted stipend in succeeding pay periods, and (2) those placed on a Socpen "pensioner wait list." This decision is driven by Socpen's available budget and beneficiary slots that open for the year. Those in the wait list are normally given slots in the following years based on the program's planned coverage (physical target) of social pensioners, which is in turn is based on the number of eligible seniors waitlisted in the 17 regions.

22. The SPMO maintains the pensioner wait list and refreshes it quarterly by cross-matching it with the updated SSS beneficiary database (requested from SSS staff), as well as the GSIS and PVAO beneficiary data, which is also available in the Socpen beneficiary database. Since the Philippines does not yet have a national identification system in place (although one is to be developed soon under a pending legislation), cross-matching with the SSS beneficiary database is currently done by RSPU staff using available data in the Socpen Information Systems (although reportedly, not all FOs are utilizing this system). Eligible seniors in the wait list can take beneficiary slots which may open up as a result of the death or delisting of pensioners. Delisting results from (a) the transfer of residence of a pensioner outside the current barangay; (b) unlocated address and/or absence during pay-out/delivery of pension payment; (c) information that the pensioner actually receives pension from GSIS, SSS, etc., or (d) information that the pensioner actually gets regular income/financial support from family members. When there is excess Socpen slots in a barangay, RSPS considers filling out these slots from eligible seniors in other barangays within the same municipality.

## Cash assistance delivery and monitoring

23. Every quarter, when the regional list of social pensioners is finalized, a copy of this list is sent to OSCA for posting and serve as basis for the payroll. The OSCA posts the final verified list of social pensioners in prominent places in the community for one week. The OSCA and the C/MSWDO informs the pensioners or their authorized representative the date of the Socpen pay-out. The C/MWSDO conducts a one-day orientation to Socpen beneficiaries or their representatives on pay-out protocols and documentary requirements to receive the cash.

24. Social pensioners are required to bring their original OSCA ID and a photocopy of this ID to claim Socpen benefits. Proxies are required to bring (i) a photocopy of the social pensioner's OSCA ID (with signature); (ii) authorization letter with signature of the Socpen beneficiary; (iii) photocopy the proxy's ID; and, (iv) a photo of the social pensioner and proxy holding a newspaper dated before the scheduled pay-out as proof of life. While such procedures are meant to ensure that funds reach the intended beneficiaries, these are burdensome and add extra layers of requirements that are likely not even referred to by authorities as proof of cash delivery for financial auditing. This is an example of an implementation procedure in the Socpen that needed policy guidance, and one that must have undergone review if the program had stronger guidelines and operational procedures for targeting, beneficiary selection and cash payments which could be assisted by an Operations Manual.

25. LGUs provide quarterly notifications of pension pay-out schedules and requirements to beneficiaries (or their authorized representatives). The C/MSWDO staff are also expected to conduct home visits to social pensioners, and to prepare and submit required reports on the Socpen implementation to the RSPU. A specific frequency of these visits is, however, unspecified by current guidelines.

26. Socpen beneficiaries normally receive grants in a quarterly lumpsum (i.e., PhP 1,500 every quarter) through several payment modes. In the first few years, the cash assistance was provided during the last month of each quarter (i.e., March, June, September and December). This was changed in 2015 to the first month of the quarter (i.e., January, April, July and October). Payment modes include (i) direct payments through the DSWD Field Office Special Disbursement Officer (SDO); (ii) fund transfer to LGUs; and (iii) door-to-door delivery schemes (Table 2).

27. Direct payments involve cash advances undertaken in the FOs by a designated SDO, who acts also as paymaster, assisted by other DSWD staff and LGU staff (i.e., OSCA and/or C/MSWDO staff). Further, representatives of SCOs also help guide social pensioners or their authorized proxies (a relative or family member) about the payment processes (and grievance mechanisms) during the actual pay-outs. Prior to the pay-outs, LGUs (i.e., the OSCA and/or C/MSWDO) notify social pensioners of the pay-out schedules, which are undertaken in a venue payout chosen by the LGUs, typically the city/municipal hall annex, gymnasium, C/MSWDO or senior citizen centers. In a selected field visit undertaken for this study, social pensioners or their proxies were made to sign receipts of payment, as well as have a photograph taken of them with the ID of the pensioner and/or proxy, some transaction form (with the date and transaction number), and the cash received. The latter was supposedly meant to prevent grievances of unreceived assistance, when, in fact, the pensions had already been paid. Some LGUs provide transportation to some social pensioners from areas distant from the pay-out venues. Furthermore, resource-endowed LGUs provide snacks to the social pensioners during the pay-outs to lessen the discomfort of having to wait for their pensions (DSWD, 2012a).

**Table 2.** Delivery schemes of Socpen benefits (as of February 2017)

Region / Field Office	Total No. of Municipal/ City-LGUs	No. of M/C-LGUs by Payment method		
		Through FO-SDOs	Fund transfer to M/C-LGU	Door-to-door delivery (service provider)
I	125	32	32	61 (Philpost)
II	93	10	83	0
III	130	0	0	130 (Philippine Veterans Bank)
IV-A	142	19	123	0
IV-B	72	0	72	0
V	114	0	114	0
VI	101	0	0	101 (Philpost)
VII	107	44	63	0
VIII	143	0	93	50 (Philippine Veterans Bank)
IX	72	1	71	0
X	93	0	93	0
XI	51	4	47	0
XII	50	3	47	0
CAR	77	43	34	0
CARAGA	73	33	40	0
ARMM	118	75	-	-
NIR	57	0	44	13 (Philpost)
NCR	17	10	0	7 (Philippine Veterans Bank)
<b>PHILIPPINES</b>	<b>1,635</b>	<b>274</b>	<b>956</b>	<b>362</b>

Source: DSWD SPMO



28. Direct payment by DSWD SDOs, however, is not without operational issues. Some beneficiaries cannot attend direct payment pay-out sessions because of their physical condition or accessibility of pay-out venues. With RSPUs having limited human resources especially SDOs to address these issues, the DSWD also worked out other payment mechanisms. Since 2012, some FOs have adopted fund transfers to LGUs that have good track records of disbursing and liquidating funds. The DSWD allows Socpen payments to be made through ATM cash cards of the Land Bank of the Philippines (LBP), especially for pensioners who are immobile, bedridden, or sick. However, this mode has yet to be executed. In some cases, the DSWD staff and LGU staff deliver the cash grants to the house of the social pensioners particularly when they are bedridden/ immobile or no relatives to claim the stipend.

29. Feedback and grievances about the program may be provided by any individual or institution to staff of OSCA, C/MSWDO or RSPUs. During pay-outs, specific personnel are assigned to receive grievance/complaints and a report of complaints received is submitted to the RSPU for appropriate action. The RSPU may elevate complaints to the SPMO, particularly for matters about operational concerns such as the unreleased social pension to the family of the deceased beneficiary, additional funds to cover the unserved senior citizens, lack of program staff at the LGU (which causes the delay of pay-out), liquidation, exclusion and inclusion errors, to name a few. Program staff report that complaints received are often about misunderstanding of who are program beneficiaries. For instance, waitlisted applicants expect to be immediately provided a stipend.

30. Coordination by DSWD with LGUs, which is vital to program implementation, is working well. A field visit undertaken for this study as well as past assessments of Socpen suggest that institutional linkages and coordination mechanisms between DSWD and LGUs for Socpen implementation are functioning well (DSWD, 2012a; COSE/HAI, 2016). OSCA is involved not only in the identification of social pensioners (including validation processes, and finalization of the regional list), but also in replacements. SCOs, especially their presidents, are also visibly involved during payouts, and assist the staff of the C/MSWDO and OSCA in the conduct of Socpen orientations.

31. The DSWD informs the public about the program, making use of institutional linkages with LGUs and SCOs to disseminate information to current and prospective beneficiaries about the benefits provided by the program. The Department also disseminates information on the Socpen to the media. Increasingly, these communication activities are also being undertaken through social media. Further, LGUs and SCOs spread information through traditional word-of-mouth schemes in community-level activities and outreach by LGU social workers and SCOs at the barangay level.

### III. A Rapid Assessment of Socpen Design and Implementation

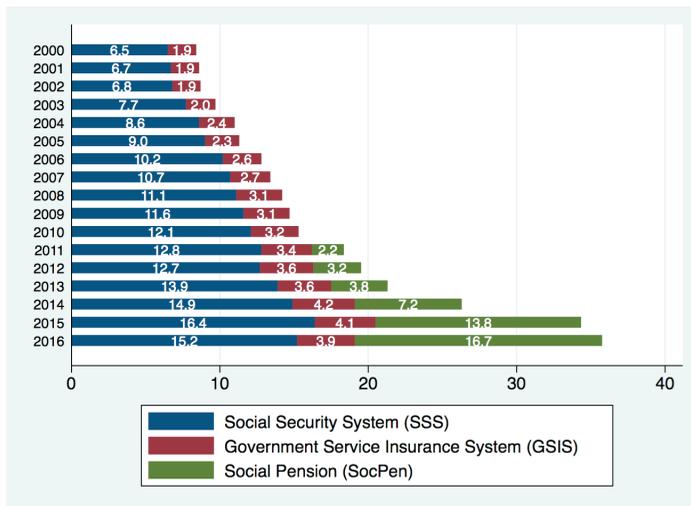
32 The following discussion highlight program design and implementation strengths and weaknesses based on review of program documents, meetings with Socpen staff from the DSWD Central Office, NCR, and interviews with city implementers and beneficiaries during a payout visit in Taguig City. These are complemented by analysis of available data on coverage from Philippine household surveys.

#### Coverage and targeting

33 **Socpen helps to close the pension coverage gap among elderly Filipinos.** Since 2011, in a matter of 6-7 years, Socpen was able to almost double coverage of Philippine pension system. In 2016, 19 percent of elderly Filipinos with coverage from GSIS or SSS is topped up by about 17 percent of indigent seniors with coverage from Socpen (Figure 6).

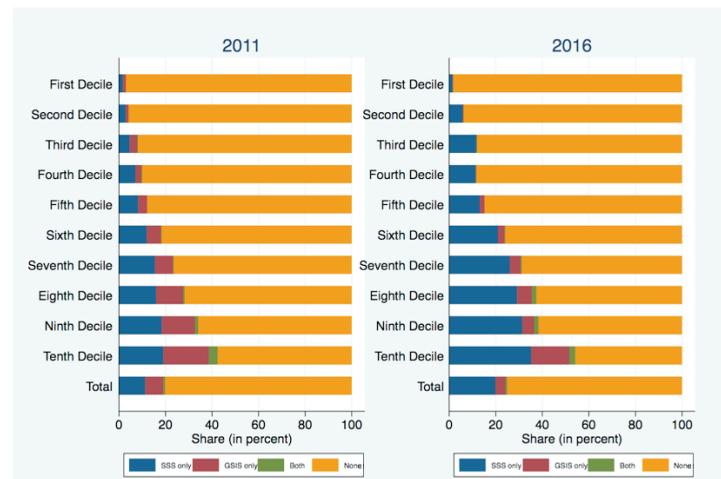
34. **Socpen introduces a poverty focus in the Philippine pension system.** The GSIS and SSS have been designed to smooth the incomes of public and formal sector workers with wage contracts. Structurally, the coverage of the SSS and GSIS schemes does not provide pensions to the indigent. While administrative data on SSS and GSIS membership cannot be currently disaggregated by income classes, a proxy survey-based measure, viz., the proportion of households (by income groups) with senior citizens that has membership to either GSIS or SSS, suggests that the overall contributory pension system covers senior citizens more from higher income groups. Further, from 2011-2016, results of the Annual Poverty Indicator Survey (APIS) show that as family income rises, so does that share of households with a senior citizen with at least one member covered by either SSS or GSIS (Figure 7). The APIS also validates administrative-based statistics on low coverages of contributory pension schemes. By exhausting the list of poor seniors in the *Listahanan* in its first years of implementation (2011-2014), Socpen introduced poverty focus in the Philippine pension system.

**Figure 6.** Share of senior citizen population with pension (%), 2016



Source: PSA, 2017. “Decent Work Statistics” available in <http://dews.psa.gov.ph>. Accessed 15 December 2017.

**Figure 7.** Share of households with senior citizens with SSS or GSIS membership (%), 2011 and 2016



Source: Authors’ estimates from microdata of 2011 and 2016 Annual Poverty Indicator Survey (APIS), PSA.

35. **Socpen should have covered more seniors from the lower income groups.** Use of *Listahanan* to effectively identify poor households and individuals has been proven in the past.<sup>4</sup> Unfortunately, program data is not currently available to show this link. Out of the 232,868 social pensioners in 2013, as much as two thirds (64.48%), corresponding to 150,169 pensioners were not included in the *Listahanan* database. In 2014, the Information Management Bureau (IMB) developed the Social Pension Information System (SPIS) and deployed the system in the DSWD regional offices. To date, however it still requires further enhancement to become functional in all Field Offices. Note that while updating the Socpen beneficiary list is undertaken quarterly at the DSWD Field Offices, the *Listahanan* was updated only in 2015. However, it is essential to regularly cross-match an updated national list of social pensioners especially for purposes of M&E of other programs within and outside of DSWD. The *Listahanan* is after all a nationwide database that contains poor households as well as those who are considered vulnerable or “near-poor.” Since poverty is not static, and households can fall in and out of poverty at any time such as in times of disasters, illness or death of a family member, it would be useful to determine whether most or all of the social pensioners not identified by *Listahanan* as poor may actually be from near-poor households.

36. **By changing the processes for beneficiary selection and dropping the use of the Listahanan, the government has materially reduced the equity feature of Socpen, that is, its ability to channel scarce resources to the elderly poor.** AO4 that was issued in 2014 effectively changed the responsibility and manner of beneficiary selection (targeting) of Socpen. First, it moved the main responsibility of identifying Socpen beneficiaries from the SPMO to the LGU through the local social worker (in the C/MSWDO) and OSCA. Second, it dropped the use of *Listahanan* as the basis for identifying indigent (poor) elderly and replaced it with the criteria on the application form and intake sheet. The subjectivity and inconsistency in applying eligibility criteria by the LGUs in selecting beneficiaries of the program will eventually weaken its poverty focus and ability to achieve the program’s main objective of extending protection to indigent seniors.

*“Sometimes it’s difficult to speak out because they are already receiving pension, then they are also receiving social pension. It’s a bit scary. . . There are others, meanwhile, who get angry, because their houses get evaluated. Maybe it’s because their houses look good that is why they are thought of as financially capable” — Anon. non-recipient A*

*“They reason out that in every barangay there should be only four, three elderly people to receive the pension. So the final decision is with the barangay captain. If you are an opponent of the barangay captain, you really can’t do anything about it; you just have to accept the decision.” — Anon. non-recipient B*

*“My neighbor said, ‘They gave me P500.’ I said, ‘We did not receive anything.’ She said, ‘You are weak eh. You have to have strong connections.’ Why are they giving others the pension and why are they not giving us the same thing?” — Anon. non-recipient C*

<sup>4</sup> For details, refer to assessments of the *Pantawid Pamilyang Pilipino Program*, the conditional cash transfer program of the Philippines, which was the first program that used *Listahanan* for beneficiary selection: DSWD, 2012b; DSWD, 2014; World Bank (WB), 2012; WB, 2015.



37. **The current process for beneficiary selection is loose and leaves too much discretion in the hands of LGU staff.** Based on its design, Socpen remains a program for a specific segment of Filipinos – the indigent seniors. Notwithstanding imperfections of the *Listahanan* in identifying the poor/indigents (i.e., with inclusion and exclusion errors), it remains superior against other targeting mechanisms used in the past. *Listahanan* makes use of a standard method to predict the welfare level of a household based on easily observable and verifiable indicators (e.g., household assets).

38. **While aggregate poverty figures in the Philippines suggests that senior citizens are not necessarily less poor than the average Filipino or the younger age group, some segments of the elderly population still require assistance.** During the period 2006 to 2012, official estimates of poverty rates nationally were at a quarter of the entire population while the corresponding poverty rates for the senior citizens were much lower at around half the national figures for everyone regardless of age (Table 1). Even in 2015, when the national poverty rates decreased to 21.6 percent, the poverty rate for senior citizens was much lower at 11.5 percent. However, Philippine official poverty methodologies do not reflect higher costs of living faced by the elderly with their specific medical and nutritional needs. While the elderly may have accumulated assets over their lifetime, and consequently, likely to be classified by *Listahanan* as non-poor, they may remain income poor especially due to the high cost of medical expenses for their age. These are precisely the reasons for expanding the provisions of the Senior Citizens Act. Further, not all households (and elderly, especially those who are living alone, abandoned, neglected or homeless) in the country may have been recorded in the *Listahanan* database. These leaves room for additional screening indicators for Socpen eligibility (e.g., being frail, sickly or with disability; not having pensions; not having regular income/financial support). However, without specific guidelines on how LGUs should use these additional screening indicators consistently, it leaves large room for subjectivity and potential patronage use. Some direct quotes from a community feedback is below (COSE/HAI, 2016).

#### Benefit level and delivery

39. **While Socpen grants are recognized as helpful, the cash assistance is inadequate.** Informal interviews with beneficiaries and previous program assessments suggest that beneficiaries spend the cash assistance they received on food (including milk), health (such as medicine, check-ups), or repayment of debts (DSWD 2012; COSE/HelpAge 2016). Program reviews also reported that social pensioners find the cash assistance provided as helpful. However, four out of five social pensioners also consider the amounts to be inadequate. National survey data suggests that the Socpen cash assistance—when received in full, i.e., Php6,000 a year (or Php500 per month)—in unable to fully cover the average food and out-of-pocket health expenses of a senior household member.<sup>5</sup> Considering long delays in distributing program benefits also has implications, not only on the adequacy of the cash assistance, but also on its relevance and use to address senior beneficiaries' immediate needs.

40. **Usual payment delays further undermine the overall objective of Socpen's protection role.** An external review of the program (COSE/HAI, 2016) reported that some social pensioners received more than the expected quarter pensions (i.e., retroactive payments with some cases even as much as the entire year lumpsum). This happens when special validation processes in the area halt the pension payments. This Socpen assistance though is supposed to be continuously received by the social pensioners once they are deemed to be indigent (unless new evidence suggests otherwise).

41. **Selection of current payment modes for Socpen is mainly driven by the ease of liquidation process to program implementers.** Program implementers prefer direct pay-outs, which are undertaken typically subject to the common schedules of availability of the DSWD SDO in the FOs, RSPS and the LGU staff (i.e., C/MSWDO and OSCA). Despite the lack of SDOs in the FOs (e.g., in NCR, there are only eight SDOs for serving all the sixteen cities of Metro Manila) who are administering other programs of DSWD, the Department also has a lack of human resources for administering Socpen sustainably, with most staff in the RSPUs, being either contractual or job-orders, coupled with staff attrition issues. These binding constraints are undoubtedly having implementers prefers direct pay-outs, which are less burdensome, compared to other mechanisms which often have concomitant liquidation issues.

42. **Policies related to disbursement and liquidation undoubtedly affect the immediate release of grants to beneficiaries.** For instance, the policy on liquidation of funds “within 15 days” puts extra constraints considering that some “social pensioners” may be unable to claim the grants due to the limited times and venues on payments set by the DSWD/LGUs. The number of Special Disbursing Officers (SDO) of the DSWD are also reported to be insufficient to handle the various programs/services under their care, thus either the disbursement of grants may be delayed or the funds may be unutilized.

43. **DSWD needs to explore more efficient and less costly payment modes for Socpen, specifically, as well as for its other cash assistance programs, more generally.** A pilot of LBP ATM cards as a payment scheme for Socpen is to be undertaken this 2018. Concerns though have been raised about the use of ATM cards of LBP due to the limited presence of LBP across the country. In practice, LBP may subcontract payment distribution through rural banks but not through big private commercial banks which have much wider presence. Feedback received by DSWD staff from social pensioners is that they do not prefer to use ATM cards in general because of difficulties remembering a personal identification number (PIN) for banking and difficulty in using an ATM in general. Interviews with program implementers suggest that pensioners may find the direct payment mode acceptable as this allows them to hold the cash themselves and liquidate it much faster than other modes. An internal evaluation by the DSWD (2012) of the Socpen inception suggests that while four out of five beneficiaries are satisfied with their experience during Socpen pay-outs, some social pensioners would prefer other means of payment given their difficulties in queuing. Some mentioned of income/opportunity losses in asking other relatives/household members to either accompany them at the payout or receive the stipend for them. Informal beneficiary interviews thus revealed their preference for door-to-door payment modes (and that they were unaware that this scheme was possible). Program implementers, however, reported that door-to-door payment modes had problems in the past owing to (a) lack of clarity on what was deemed to be sufficient liquidation documentary requirements, and (b) reports of door-to-door service providers/remittances companies requiring pensioners to pay some service fees. These problems are not unique to Socpen but also experienced in other cash assistance programs of DSWD. Such issues could be addressed through biometric identification, especially when a national identification system is put in place.

#### Harmonization and Integration

44. **Linking the Socpen beneficiary database with the *Listahanan* 2015 – and potentially with other beneficiary registries within DSWD as well – will ensure the program maintains its poverty focus.** The *Listahanan* was put in place to enable the Government design assistance programs that will reach those who need them the most. This database is maintained at the Central Office of DSWD by the NHTO. In the meantime, the current list of Socpen beneficiaries is available in DSWD field offices, particularly in the RSPUs. It is updated quarterly to account for replacement-pensioners who take the slots of pensioners open up from the death or delisting of pensioners. Data from these regional databases are shared with the Central Office, i.e., the SPMO, for consolidation, but is currently de-linked from the *Listahanan*. Cross-matching the two databases has its benefits. First, it is an inexpensive way to monitor program performance in terms of reaching indigent seniors and inform possible adjustments in the program design to maintain its original intent of prioritizing poor seniors. Second, it will allow identifying the elderly who may need other forms of assistance through other programs and services of the Government. Third, linking beneficiary databases like that of Socpen with the *Listahanan* also strengthens the latter as the Government's social registry by keeping it updated with other relevant household information.

#### Budget utilization

45. **Since 2011, the Socpen has rapidly expanded both in budget and coverage.** Throughout its existence, the program's operations have been funded by the annual General Appropriations Act (GAA). At program inception in 2011, only about 150,000 indigent seniors aged 77 and above of the 1 million poor seniors identified by *Listahanan* were enrolled in the Socpen due to budget limitations. Socpen targets remained below half a million up to 2014, until they were doubled in 2015. That year the minimum age of targeted beneficiaries was reduced to 65, and further down to 60 beginning in 2016, which resulted in large jumps in program budget (Table 3). Had *Listahanan* been used then, doubling the target could have been more effectively and efficiently achieved by adjusting the scoring levels for benefit eligibility, i.e., making use of a higher threshold to identify the near-poor (who are highly vulnerable to fall into poverty). The program's annual budget proposal is based on the most recent data of identified indigent senior citizens submitted by the DSWD Field Offices to the DSWD-Central Office.

<sup>5</sup> It is important to note here that out-of-pocket health spending is normally under-reported especially for poorer households who usually forgo spending for these items.



**Table 3.** Socpen targets and accomplishments, 2011-2017

Year	Physical Target	Age Coverage	Actual Served	Budget Allocation (in Million PhP)	Actual Budget Stipend (in Million PhP)
2011	138,960	77 yrs. old and above	138,960	871	843.47
2012	185,194	77 yrs. old and above	211,657	1227.46	1231.70
2013	232,868	77 yrs. old and above	255,763	1532.95	1553.65
2014	479,080	77 yrs. old and above	481,603	3108.91	2934.42
2015	939,609	65 yrs. old and above	930,222	5962.63	5946.97
2016	1,368,944	60 yrs. old and above	1,343,943	8711.20	8593.53
2017	2,809,542	60 yrs. old and above	2,559,202	17940.26	14978.25
2018*	3,000,000	60 yrs. old and above	Not yet available	19282.86	Not yet available

Source: DSWD. Note: \*Based on the 2018 approved Government Appropriations Act.

46. **In the first three years of the program, physical targets had been surpassed.** Starting 2014, the number of actual served beneficiaries have fallen slightly short of target, signaling problems in the policy of expanding the program without well-planned mechanism for roll-out and beneficiary selection. Had the program continued to use *Listahanan*, say by only partially extending Socpen to the “near-poor” elderly in the *Listahanan*, the remaining budget could have been used to adjust benefits for the poorer pensioners. Annual physical targets are drawn up by DSWD for the following year based on the number of existing social pensioners for the current year as well as the latest available data (typically as of October) on the number of waitlisted applicants from the 17 Field Offices. It was also in 2014 that the use of the *Listahanan* for targeting social pensioners was relaxed, with LGUs taking full responsibility in identifying Socpen beneficiaries.

47. **Independent estimates of elderly indigents from a household survey suggest that the program has already exhausted its target beneficiaries.** From 2011 to 2013, the number of physical targets for the program (based on *Listahanan*) has been within bounds of the number of seniors in the bottom 20 or bottom 30 percent of income distribution (see Table 4). The latter estimates were sourced from results of waves of the APIS, conducted by the Philippine Statistics Authority (PSA).

48. **In 2014, the first year when *Listahanan* was no longer used as basis for Socpen beneficiary identification,** the (nearly half a million) physical targets for the program were 75 percent more than independent estimates of the number of seniors aged 77 and above from the bottom 30 percent of the income distribution. The much bigger physical targets for Socpen in 2014 may have allowed assistance to be given to those who fell short of the age cut-offs (of 77 years old) but who were from poor households (i.e., the bottom 20 percent of income distribution). But the huge targets for that year could have also been subject to other inaccuracies in targeting “elderly indigents”. A similar observation can be made about the 2017 physical targets for Socpen based on population growth projections of estimates of elderly that can be generated from the PSA’s 2016 APIS. Thus, it is very likely that physical targets for elderly indigents have actually been saturated as early as 2014.

**Table 4.** Socpen targets versus actual coverage by income level, 2011-2017

Year	Socpen Beneficiaries			APIS Estimates of Number of Seniors, by income group (in Thousands)				
	Age Coverage	Physical Target ('000)	Actual Served ('000)	Decile 1	Decile 1-2	Decile 1-3	Decile 1-4	Decile 1-5
2011	77 yrs. old and above	139	123	66	132	219	312	417
2012	77 yrs. old and above	185	181					
2013	77 yrs. old and above	233	256	97	183	281	375	478
2014	77 yrs. old and above	479	482	64	163	273	366	477
2015	65 yrs. old and above	940	877					
2016	60 yrs. old and above	1,369	1,274	388	886	1,533	2,190	2,925
2017	60 yrs. old and above	2,810	2,559					

Source: DSWD and Author’s estimates from microdata of Annual Poverty Indicator Survey (APIS), PSA.

49. **Annual resource utilization, on average, has been at near 100%.** In 2012 and 2013, utilized expenditures were above the targeted resource requirements. On the other hand, except for 2011, all the years when program expenditures fell short of budget allocations were in the period starting 2014. SPMO staff report that administrative costs cover around 3% of the total program budget, and that in years when the actual number of beneficiaries was higher than the number of target beneficiaries, unutilized administrative expenses were realigned to cover expenses of additional grants.

#### Overall implementation and communication

50. **Socpen will benefit from a more consistent implementation by establishing and maintaining standardized operational procedures, which should also define processes for regular program M&E.** So far, DSWD makes use of AOs and various Memorandum Circulars (MCs) to guide the overall implementation of the program. The CPSB of DSWD, which takes charge of SocPen, is currently finalizing the omnibus guidelines for the program. While the omnibus guidelines are helpful in consolidating policies related to Socpen, an Operations Manual is needed to set out clear, strong and standard operational procedures for program implementation, from identifying the beneficiaries, to delivery of stipend, to monitoring of the beneficiaries and program M&E. Since 2011 up to recently, the Socpen is mainstreamed under the DSWD's Community-Based Social Welfare Programs Division. The roles and responsibilities on Socpen implementation is closely coordinated by DSWD with the LGUs.

51. **A number of Socpen beneficiaries expressed their feedback regarding irregularity and delays in receiving cash assistance.** During the field validation visit, many of the beneficiaries indicated that they are not aware if there are regular payment schedules, and that they would often just receive notification of cash distribution about 2 weeks before the appointed date. As a result, beneficiaries normally do not know how many months' worth of cash assistance they are entitled to receive versus how much actual cash they were notified to cash in. Socpen ground focals indicated that Socpen cash delivery is constrained mainly by the availability of a limited number of SDOs who are the only DSWD staff authorized to hold large amounts of money for distribution. SDOs are not dedicated Socpen staff. They serve all other DSWD programs that require distribution of cash assistance within the same communities, including *Pantawid Pamilya* and disaster-related cash assistance programs.

#### IV. Recommendations for Program Enhancement

52. **Although DSWD is armed with a set of guidelines on the implementation of Socpen, an Operations Manual is necessary to guide standard operations and implementation practices.** As Socpen moves toward its eighth year of existence and with its coverage and budget continuing to expand, the DSWD has to prioritize the development of an Operations Manual that details governance structures and institutional arrangements, including specific roles and responsibilities (that are required for exacting accountability). An Operations Manual describes the business processes for the program, viz., identification of social pensioners, payment processes, replacement procedures, grievance, reporting, as well as M&E systems. It can be a tool for clarifying roles in program implementation, especially to new staff and stakeholders, especially as the current guidelines have undergone changes across the years. It can also help in the conduct of process evaluations for strengthening the program, as well as serve as a deterrent to having varying auditing requirements at different locales. Interviews with DSWD staff suggested that plans are underway for the development of the Socpen Operations Manual.

53. **Beneficiary selection and program eligibility criteria need to be more transparent and guided by objective rules.** Over the years, Socpen beneficiary selection criteria has undergone changes without a clear link with the program's development objective. The divergence from using the *Listahanan* beginning 2014 has resulted in severe weakening in the program's targeting outcomes. It is recommended to revert to using *Listahanan* as the sole targeting instrument, which can allow for flexibility to also cover those who are vulnerable or "near-poor. The program's roll-out plan is also something that remains vague and unclear. More transparency needs to be embedded in these processes, especially with a continuously growing program like Socpen.

54. **The program's M&E system needs to be strengthened.** In particular, financial management and outcomes monitoring are key in the overall governance of Socpen. It would be useful to understand the financial management indicators that an M&E system would review for the Socpen. DSWD has other large programs with strong built-in M&E systems such as the *Pantawid Pamilya* CCT program and the National Community-driven Development program. Cross-fertilization of experiences across these programs and National Program Management Offices into building sound M&E systems will strengthen not just the Socpen but the agency overall. Over time, it is also extremely important to examine the impacts of Socpen on the welfare conditions of both the elderly recipient as well as the household they belong. Aside from having regular internal evaluations, the program can benefit from external evaluations, especially as the program has gained in size and importance.



**55. The Government/DSWD needs to consider adjusting current benefit levels provided to Socpen beneficiaries, which are getting less adequate over time.** As pointed out earlier, independent estimates of elderly indigents from official national surveys are lower than the current physical targets of the program. In consequence, current resources for the program are more than sufficient to address the insufficiency of per capita pensions currently provided to social pensioners. The Socpen risks being less impactful in helping alleviate poverty as meager cash assistance is further eroded by increasing prices. There is room for reexamining whether at least some of the current set of pensioners may be awarded increased pensions based on bigger needs, in order to further reduce the poverty gaps of those far from the poverty line. This will require a new set of validation activities with specific and strict guidelines for identifying economic conditions of the elderly. These benefit adjustments are overdue and are likely to be supported by government owing to its improved fiscal space and its attention to social protection.

**56. Perennial delays in cash payout for Socpen beneficiaries needs to be addressed structurally.** Having a limited number of SDOs that hold large sums of cash for distribution to Socpen beneficiaries on a regular basis is a risky and an unsustainable arrangement. Downloading money to LGUs with varied levels of capacity for monitoring, financial management and liquidation also opens the program to huge accountability issues. DSWD – being the implementer of Government’s largest cash assistance programs – needs to formulate more secure and monitorable payment solutions, ideally through the banking system or other electronic means including mobile payment schemes. Increasing payment options by exploring partnerships with other banks and financial institutions, as well as making payments through electronic and mobile platforms will improve efficiency in payment delivery. This will benefit Socpen as well as other cash-based programs of the DSWD, including the unconditional cash transfers to be provided by the Department for mitigating the effects of the Tax Reform for Acceleration and Inclusion (TRAIN) Act, also called RA 10963.

**57. Harmonizing social protection programs within DSWD and across the government is important in ensuring greater coherence in building risk resilience among poor and vulnerable sectors, including the elderly indigents.** Four of the best-known conditional cash transfer programs in the world—those in Brazil, Ecuador, Jamaica, and Mexico—have actually managed to integrate social assistance for the elderly in these programs, and that broader social assistance programs in Jamaica and Bulgaria were even modified to ensure that the elderly was well served through adjustments to eligibility rules, determination of benefits, or other program requirements (Grosh and Leite, 2001). Currently, information systems of Socpen are not systematically linked to other DSWD information systems, particularly the *Listahanan*. Several DSWD programs (such as the conditional cash transfer, and the sustainable livelihood program) as well as selected SP programs outside of DSWD (e.g., provision of PhilHealth cards to indigents) make use of the *Listahanan*. DSWD implements a convergence strategy focused on harmonizing three SP programs of the Department, viz., the conditional cash transfer, a livelihood support, and a community support program. There is wide scope to include Socpen in the DSWD convergence strategy with regard to targeting systems, information systems, payment systems and M&E processes, especially as the program continues to expand. Linkages with information systems of the SSS and GSIS can improve implementation of the entire pension system as well as improve its policy coherence. Lastly, the recent development on finally establishing the Philippines national identification system provides a monumental opportunity to systematically and effectively harmonizing the Socpen with other social protection programs across government. The verification of identity and birthdates currently undertaken in the Socpen application process is important to minimize leakages in duplication of pensions.

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