



Partnering with Existing National Safety Nets for Emergency Payments:

WFP's Collaboration with the *Pantawid Pamilyang Pilipino Program* in the Typhoon Haiyan Response



World Food Programme

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Study Purpose

World Food Programme (WFP) is looking to innovate its emergency response model by incorporating more cash payments to complement in-kind payments in times of natural disasters and economic shocks. Specifically, WFP wants to understand the potential for and challenges of leveraging existing national government-to-person (G2P) payment programs in the Philippines and Indonesia to implement and scale WFP's cash transfers in both relief and recovery contexts. To achieve this, WFP Regional Bureau for Asia contracted Bankable Frontier Associates (BFA) to study potential partner programs - Pantawid Pamilyang Pilipino Program in the Philippines and Program Keluarga Harapan (PKH) in Indonesia - to provide a feasibility assessment of how WFP would effectively work with such programs. BFA undertook this feasibility assessment by gathering information from key stakeholders - the programs (funders, "owners" and implementers), the payment service providers (PSPs) and their partners and the recipients - and evaluating the opportunities and challenges related to leveraging current cash and electronic disbursement mechanisms used by national G2P programs. If WFP aims to leverage existing programs to make emergency (i.e., short-term) disbursements, what will it take for these programs, their PSP partners and the recipients to effectively handle such a commitment?

Acknowledgments

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Abbreviations

Alliance for Financial Inclusion	AFI
Bangko Sentral ng Pilipinas	BSP
Bankable Frontier Associates	BFA
Conditional cash transfer	CCT
Department for Social Welfare and Development	DSWD
Emergency Cash Transfer Top-up (project)	ECT (project)
Payment service provider	PSP
Government-to-person	G2P
Know-your-customer	KYC
Land Bank of the Philippines	LBP
Local government unit	LGU
Memorandum of understanding	MOU
Mobile network operator	MNO
Modified Conditional Cash Transfer	MCCT
National Capital Region	NCR
National Household Targeting System for Poverty Reduction	NHTS-PR
Non-governmental organization	NGO
Over the counter	OTC
Pantawid Pamilyang Pilipino Program	Pantawid Pamilya
Philippine Peso	PHP
World Food Programme	WFP

Executive Summary¹

1. The Pantawid Pamilyang Pilipino Program (Pantawid Pamilya) is a national conditional cash transfer program targeting poor households² with a pregnant mother and/or children between 0 and 18 years of age. Managed by the Department of Social Welfare and Development (DSWD), Pantawid Pamilya serves over 4.4 million households in 80 provinces with the support of 11,662 staff.³ The program's primary goals are to provide short-term poverty alleviation and "to break the intergenerational poverty cycle through investments in human capital," particularly health and education.⁴ Recipients only receive their full payment amounts if they meet certain health- and education conditions.⁵ Land Bank of the Philippines (LBP) is the primary payment service provider (PSP) and distributes payments through its branch and ATM network; it contracts other PSPs to disburse payments in more remote areas.
2. World Food Programme (WFP) traditionally focused its efforts in the Philippines on relief and recovery in conflict-prone Mindanao. More recently, it also provided support to the Government of the Philippines on disaster mitigation and preparedness efforts throughout the country. The Philippines is the ninth most disaster-prone country in the world. As part of its efforts in the Philippines, WFP partnered with DSWD on the long-running Cash for Work program in Mindanao, a framework for an early warning system to mitigate hunger and food insecurity and on strengthening social protection and social welfare programs.
3. When Typhoon Haiyan struck in November 2013, DSWD, WFP and other actors felt pressure to quickly respond to the affected areas in Leyte, in eastern Philippines. As the scale of Haiyan's devastation became clear, both DSWD and WFP realized that they needed to look beyond their typical operations in order to meet the intensifying needs of the affected populations. Pantawid Pamilya's credible payments platform, targeting and coverage and WFP's ability to rapidly assess the most affected areas allowed the partnership to quickly plan and implement the Emergency Cash Transfer Top-up (ECT) project.
4. The ECT project paid nearly 100,000 recipients (reaching approximately 500,000 beneficiaries⁶) through almost 200,000 payments totaling PHP 257.4 million (US\$5.8 million) via cash card (31%) and over-the-counter (OTC) (69%) modalities. Table 1 highlights key criteria to evaluate the strength of the DSWD-WFP partnership. Red circles indicate that Pantawid Pamilya and WFP do not align; yellow indicates they align somewhat; and green indicates that they align significantly.

Table 1: How Pantawid Pamilya Aligns with WFP Key Criteria

Criteria	Rating	Comments
Program has effective relationship with the PSPs.		The Pantawid Pamilya payment system employs a well-established hierarchy of PSPs that LBP centrally manages. Contracts for Pantawid Pamilya PSP partners are competitive and have generated a pool of qualified and responsive electronic and OTC PSPs willing to operate at low-cost.
Pantawid Pamilya and the PSPs have the capacity and flexibility to make additional payments or add more recipients.		The ECT partnership demonstrated that both the program and the PSPs were flexible and capable of distributing additional payments to Pantawid Pamilya recipients, albeit not as smoothly as originally envisioned and designed. However, the program and PSPs underestimated the staffing capacities required to deploy additional payments in an emergency response. Also, DSWD has the capability to add more recipients through the MCCT system, which has a lower

¹ This report is based on interviews conducted in the Philippines in December 2014; it represents the situation with Pantawid Pamilya as of that time.





² This paper refers to recipients as those receiving G2P payments. Beneficiaries or households are all those ultimately touched by the program, for example through the recipient spending money on the needs of the family or household, not just the individual.

³ "Program Implementation Status Report: 4th Quarter 2014." DSWD, 2014.
<http://pantawid.dswd.gov.ph/images/4thquarterreport2014.pdf>

⁴ "The Pantawid Pamilyang Pilipino Program." DSWD. <http://pantawid.dswd.gov.ph/index.php/about-us>

⁵ For more on Pantawid Pamilya conditionalities, see *Striving for E-Payments at Scale: The Evolution of the Pantawid Pamilyang Pilipino Program in the Philippines* (CGAP 2013).

⁶ Based on an assumption of five members per household.

Criteria	Rating	Comments
PSPs have access to sufficient infrastructure to make payments that are relatively low-cost to the program.		inclusion criteria, and did so during the Haiyan response. Payment infrastructure in the Philippines is relatively strong and Pantawid Pamilya has created a strong network of PSPs that appear committed to fulfilling operations even in post-disaster environments. Pantawid Pamilya boasts some of the lowest PSP transaction fees compared to PSPs from cash transfer programs in other middle- and low-income countries. However, while PSPs made additional payments at the fee levels used during normal operations, some of them had to hire third party agents to pay all recipients, indicating that PSPs may require additional resources to support payments in post-disaster settings.
Recipients trust the PSP to pay them the correct amounts on time at a reasonably convenient location.		Pantawid Pamilya recipients demonstrated sufficient trust and confidence in the program and the PSPs that distribute payments. Overall, recipients appear comfortable with the distances they travel to get their payments.
Program serves a significantly large and inclusive group of recipients, likely to be affected by natural disasters or other emergencies.		Pantawid Pamilya is the largest G2P program for poor and vulnerable households in the Philippines. However, as exposed in the ECT partnership, Pantawid Pamilya does not cover all the poor and vulnerable in the country. While Pantawid Pamilya's add-on Modified Conditional Cash Transfer program covers families with special circumstances, such as homeless families, others excluded would require a separate intervention to reach in an emergency response.
Program is ready to embrace emergency response partnership with WFP.		DSWD indicated a strong willingness to partner with WFP in the future. WFP and DSWD have the opportunity to strengthen the partnership by building on the lessons from their partnership during Haiyan.

- Overall, Pantawid Pamilya is a strong partner for WFP. Assuming WFP and DSWD both want to continue the partnership, both organizations would benefit from addressing the challenges they faced during the ECT project, and the challenges faced by the PSPs and recipients. The challenges may be broadly divided into three categories: (1) underestimation of financial, time and human resources; (2) procedural inefficiencies; and (3) infrastructure limitations.
- To mitigate the risk of encountering the challenges again, the researchers recommend that WFP and DSWD undertake several preparedness measures before the next disaster, including: developing a pre-set agreement, evaluating alternative identification and revalidation processes, clarifying monitoring and reconciliation requirements, deciding in what instances DSWD will pay recipients in cash or via cash card, considering whether to engage additional PSPs and reviewing the experiences of other Haiyan response operations for additional lessons learned.
- The ECT project is a model for future emergency cash transfer partnerships with DSWD's numerous safety net programs, as well as for WFP's work in other countries. WFP benefitted from the processes and partners that Pantawid Pamilya already had in place and was able to disburse money to more recipients faster than any other international humanitarian response effort. Additionally, Pantawid Pamilya's partnerships with electronic and cash PSPs provide the flexibility that WFP needs in emergencies to choose the best payment method, given recipients' access (or lack thereof) to PSPs. Going forward, WFP and DSWD should work together during non-emergency times to strengthen their agreement and clarify roles, while also monitoring how the Government's, and particularly the Central Bank of the Philippines', focus on financial inclusion and Pantawid Pamilya's evolution may further contribute to more efficient and effective emergency cash transfers.

1. The Philippines Context⁷

The Philippines had a GDP per capita of US\$2,765 in 2013, up from US\$2,136 in 2010, and ranked 117 out of 187 countries on the Human Development Index in 2014.⁸ The World Bank reported the Philippines' adult literacy rate to be 95 percent in 2008. Thirty-four percent of the Philippines' population was under the age of 15 in 2013, with 62 percent between ages 15 and 64. In 2014, 44 percent of the population (44 million people) lived in urban areas; 29 percent of the urban population lived in metro Manila.⁹

Electronic Transfers

In 2012, the Philippines had 8.1 bank branches and 19.3 automated teller machines (ATMs) for every 100,000 adults. Also, 26.6 percent of Filipino adults had an account at a formal financial institution and 13.2 percent had a debit card.¹⁰ Of the commercial banks in the Philippines, 45 percent of bank branches are located in the National Capital Region (NCR). However, only 29 percent of thrift banks and three percent of rural and cooperative banks are located in NCR.¹¹ Only 463 ATMs serve the 573 rural and cooperative banks, compared with 12,898 ATMs for 36 universal and commercial banks with 5,738 offices.¹²

The Philippines has seen an increase in mobile cellular subscriptions in recent years. In 2013 the Philippines had 102.8 million subscriptions (for a total population of 98.4 million), up from 83.2 million in 2010.¹³ GSMA reported SIM penetration to be 114 percent in 2014.¹⁴ In 2001 and 2004, the two leading mobile network operators (MNOs), Smart Communications and Globe Telecom, launched products for sending and receiving money via mobile phone. (Smart's product is called Smart Money and Globe's product is called GCASH.) However, while mobile money products have been in the Filipino market for over a decade, in 2011, the World Bank's Findex revealed 2 percent of adults used their mobile phone to pay bills; 12.5 percent of adults received and 7.3 percent sent money on their mobile phone.¹⁵

The limited uptake of mobile money products was due in part to the popularity of alternative payment services, such as pawnshops. A 2010 Bill & Melinda Gates Foundation study estimated the total size of the domestic payments market, which includes those making formal, informal and personal direct bill payments and sending money, to be US\$3.2 billion per month by a projected 41 million people. Of this group, an estimated 23 percent used M Lhuillier and 21 percent used LBC, two of the largest pawnshops in the Philippines, compared to 1 percent using Smart Money and less than 1 percent using GCASH.¹⁶

The Government of the Philippines is a strong presence in international forums on financial inclusion and digital payments. The Bangko Sentral ng Pilipinas (BSP) is a member of the Alliance for Financial

⁷ This report is based on interviews conducted in the Philippines in December 2014; it represents the situation with the Pantawid Pamilya as of that time. For the list of stakeholders interviewed, see Annex 5.

⁸ Human Development Index, 2014 rankings. <http://hdr.undp.org/en/>

⁹ World Bank. 2014: <http://data.worldbank.org/indicator>. Full references in References.

¹⁰ World Bank. 2011. <http://data.worldbank.org/indicator>. Full references in References.

¹¹ As of September 2014. Statistics from "Regional Distribution of Banking Offices" from BSP website (http://www.bsp.gov.ph/banking/pbs_new/2.htm). Universal and commercial banks "offer the widest variety of banking services among financial institutions." Thrift banks include savings and mortgage banks, private development banks, stock savings and loan associations, and microfinance thrift banks. More common in rural communities, rural and cooperative banks are expected to "promote and expand the rural economy in an orderly and effective manner by providing the people in the rural communities with basic financial services." All banks in these statistics are Bangko Sentral ng Pilipinas—supervised and regulated. For more information on the definitions of universal and commercial banks, thrift banking system, and rural and cooperative banks, see <http://www.bsp.gov.ph/banking/bspsup.asp>.

¹² As of September 2014. "Number of Automated Teller Machines (ATMs) and Banks with Electronic Banking Facilities." BSP. http://www.bsp.gov.ph/banking/bspsup_pbs.asp and "Physical Network: Number of Offices." BSP. http://www.bsp.gov.ph/banking/bspsup_pbs.asp

¹³ World Bank. 2014. <http://data.worldbank.org/indicator>. Full reference in References.

¹⁴ GSMA Intelligence 2014: Data Dashboard. Data from Q4 2014. <https://gsmaintelligence.com/markets/2659/dashboard/>

¹⁵ World Bank Findex. 2011. <http://datatopics.worldbank.org/financialinclusion/>. Full reference in References.

¹⁶ Bankable Frontier Associates. 2010. "Demand Study of Domestic Payments in the Philippines." Somerville, Mass.: Bill & Melinda Gates Foundation. <http://bankablefrontier.com/wp-content/uploads/documents/BMGF.PDP-FinalReport-dec2010.pdf>

Inclusion (AFI), and the BSP and the Department of Budget and Management are together members of the Better Than Cash Alliance.

Evolution of Conditional Cash Transfers

With the financial and technical support of the World Bank, the Department of Social Welfare and Development (DSWD) began designing a new social protection agenda in the mid-2000s. After attending the 2006 Third Annual Conference on Conditional Cash Transfers (CCTs) in Istanbul, Turkey, DSWD delegation members became inspired by CCT programs, such as Bolsa Familia in Brazil and Oportunidades in Mexico, in middle-income Latin American countries. Soon after the delegation's return, DSWD developed its new social protection reform agenda with a CCT component, the Pantawid Pamilyang Pilipino Program (Pantawid Pamilya).

Pantawid Pamilya Overview

DSWD manages Pantawid Pamilya, a national conditional cash transfer program targeting poor households¹⁷ with a pregnant mother and/or children between 0 and 18 years of age. As of December 31, 2014, Pantawid Pamilya served 4,455,116 households, 218,377 of which are covered by the Modified Conditional Cash Transfer (MCCT) program (see Box 1), across 144 cities and 1,483 municipalities in 80 provinces with the support of 11,662 staff.¹⁸

Box 1: DSWD's Modified Conditional Cash Transfer Program (MCCT)

Launched in late 2012, the MCCT program increases the reach of Pantawid Pamilya by providing support to vulnerable households not eligible for Pantawid Pamilya, but that could eventually transition into the program. The MCCT program specifically covers three groups: (1) Families in Need of Special Protection (FNSP), such as those with children with disabilities, child-laborers, indigenous peoples, migrants and displaced families due to man-made and natural disasters; (2) Homeless and Street Families (HSF); and (3) Extended Age Coverage (EAC) families that have children from 15-18 years old still in school but no longer qualifying for Pantawid Pamilya. DSWD manages the program, working with a network of community organizations in targeted areas to identify eligible households. Although technically a separate program, the MCCT program uses the Pantawid Pamilya management information system and payment methods to make and manage payments (DSWD 2013).

The program's primary goals are to provide short-term poverty alleviation and "to break the intergenerational poverty cycle through investments in human capital," particularly health and education.¹⁹ Recipients only receive their full payment amounts if they meet certain health- and education-related conditionalities.²⁰ Pantawid Pamilya uses both a geographic targeting and proxy means testing to select households for the program.

The program pays approximately 42 percent of recipients using a limited purpose debit card (called a "cash card"), provided by Land Bank of the Philippines (LBP), the largest of three government-owned banks in the country. Cash card recipients withdraw bi-monthly payments from ATMs or Land Bank branches. The other 58 percent of recipients receive their payments in cash from other payment service providers (PSPs).

¹⁷ This paper refers to recipients as those receiving G2P payments. Beneficiaries or households are all those ultimately touched by the program, for example through the recipient spending money on the needs of the family or household, not just the individual.

¹⁸ Of the total number of enrolled households, 1,821,649 (40.9%) are from Luzon, 1,725,190 (38.7%) from Mindanao and 908,277 (20.4%) from Visayas. "Program Implementation Status Report: 4th Quarter 2014." DSWD, 2014. <http://pantawid.dswd.gov.ph/images/4thquarterreport2014.pdf>

¹⁹ "The Pantawid Pamilyang Pilipino Program." DSWD. <http://pantawid.dswd.gov.ph/index.php/about-us>

²⁰ For more on the Pantawid Pamilya conditionalities, see *Striving for E-Payments at Scale: The Evolution of the Pantawid Pamilyang Pilipino Program in the Philippines* (CGAP 2013).

WFP, Disasters, Relief and Recovery in the Philippines

World Food Programme (WFP) in the Philippines typically focuses its efforts in Mindanao, where millions have suffered food insecurity due to ongoing conflict between the Government and separatists. In addition to insecurity, natural disasters hamper Mindanao's development.²¹ However, Mindanao is not the only region in the Philippines that suffers from natural disasters and food insecurity. Ranked ninth most disaster-prone country in the world, the Philippines suffers from annual storms and typhoons such as Tropical Storm Washi in December 2011, Typhoon Bopha in December 2012, Typhoon Haiyan in November 2013 and Typhoon Hagupit in December 2014.

Outside of Mindanao, WFP supports the emergency response efforts of DSWD, its primary government partner. The organizations partnered on a cash for work program, a framework for an early warning system to mitigate hunger and food insecurity and on strengthening social protection and social welfare programs. WFP has assisted government responses to populations affected by natural disasters, supporting 3.5 million beneficiaries from 2007 to 2014 with resources of US\$131 million.²²

2. Typhoon Haiyan and the Evolution of the WFP-DSWD Partnership

WFP's prime example of engagement outside of Mindanao is its response to category 5 Typhoon Haiyan (local name Yolanda), a super typhoon that made landfall in the Philippines on November 8, 2013. The typhoon affected populations across nine regions, 41 provinces, 48 cities, 447 towns and 7,488 barangays,²³ especially devastating the provinces of Leyte, Samar, Eastern Samar, Iloilo and Antique. DSWD estimated that Haiyan affected as many as 15 million people.²⁴ Other sources reported that the super typhoon took over 6,000 lives, damaged 1,084,762 homes and amounted to PHP 89.6 billion (US\$2 billion) in damages.²⁵ Haiyan's destruction of public and private infrastructure severely impacted immediate humanitarian responses.²⁶

Just 12 days after Typhoon Haiyan made landfall, Pantawid Pamilya already had a comprehensive plan in place to re-identify and revalidate Pantawid Pamilya recipients in affected areas, as most recipients had lost their IDs, cash cards and documentation in the storm.²⁷ The revalidation process required locating and confirming the identities of Pantawid Pamilya recipients among the larger displaced population. Upon validation, Pantawid Pamilya staff updated recipients' data profiles in the system and provided temporary IDs and documentation required to receive payments.

Meanwhile, as WFP received international support for disaster relief in the Philippines, it faced increasing pressure to employ cash transfers where markets were sufficiently functioning, while simultaneously using its more traditional response of food distribution where markets were weaker. However, WFP initially struggled to identify an appropriate partner to respond to the disaster at the scale it required: no non-governmental organization (NGO) partner had the resources or capacity to target, identify and disburse cash quickly to recipients across all of the affected area, and WFP had no existing partnership agreements with PSPs; taking the time to establish a partnership would have pushed back WFP's scheduled timeline of providing the first cash transfers within two months after the typhoon hit.

²¹ For more information on WFP's operations in Mindanao, please refer to past WFP documents on interventions, such as PRRO-Philippines 200296, "Support for Returnees and other Conflict-Affected Households in Central Mindanao, and National Capacity Development in Disaster Preparedness and Response," 2012.

²² PRRO-Philippines 200296, "Support for Returnees and other Conflict-Affected Households in Central Mindanao, and National Capacity Development in Disaster Preparedness and Response," 2012.

²³ Barangay is the smallest administrative division in the Philippines.

²⁴ "Philippines Emergency Operation 200631." WFP, 2014.

²⁵ "Updates re the Effects of Typhoon "YOLANDA" (HAIYAN)." National Disaster Risk Reduction and Management Council, 2014. <https://web.archive.org/web/20141006091212/http://www.ndrrmc.gov.ph/attachments/article/1177/Update%20Effects%20TY%20YOLANDA%2017%20April%202014.pdf>

²⁶ "Philippines Emergency Operation 200631." WFP, 2014.

²⁷ DSWD also identified newly impoverished households through the re-identification and revalidation process. As the focus of this research centered on the Pantawid Pamilya, however, it is beyond the scope of this report to evaluate the extent to which this occurred.

As DSWD worked to locate Pantawid Pamilya recipients in affected areas and WFP searched for partners to disburse emergency cash transfers, both institutions realized that they needed to look beyond their typical operations in order to meet the extensive needs of the affected populations. While working with NGO partners to rapidly disburse cash transfers to non-Pantawid Pamilya recipients in areas of market functionality, WFP turned to DSWD to partner on disbursing emergency cash transfers through the Pantawid Pamilya system, something the two organizations had never partnered on before. WFP was confident that the Pantawid Pamilya's platform, management procedures, targeting and coverage were reliable and credible. WFP and DSWD used Pantawid Pamilya's list of poor households to identify the most vulnerable disaster victims in Haiyan-affected regions and get them assistance more quickly than either institution could have done on its own.

In early December, DSWD and WFP signed a Memorandum of Understanding (MOU) to launch the Emergency Cash Transfer Top-up (ECT) project, with initial payments planned to go out as early as December 20. The ECT project intended for the payments to a) assist recipients in purchasing food; b) allow recipients to access a diversified food basket through local markets; and c) fuel local economies to begin recovery. The ECT employed a mix of in-kind food assistance where rice shortages inhibited household food availability and cash transfers to address additional food needs where markets were sufficiently supplied and functioning. In partnership with the Government of the Philippines, WFP rapidly assessed market conditions and commodity availability and prices in the affected regions in order to determine the best mix of cash and/or in kind assistance in a particular market area.²⁸

Even before its partnership with WFP, DSWD had agreed to waive its conditionality requirements for Pantawid Pamilya recipients in Haiyan-affected areas. WFP supported the disbursement of two additional emergency payments, of the same amount, to every recipient across two affected regions (Regions VI and VIII - Western and Eastern Visayas) between December 2013 and February 2014.²⁹ In order to do so, WFP leveraged DSWD's established relationships with LBP, and LBP's relationships with other PSPs; the regular Pantawid Pamilya payment schedule; and the support of DSWD staff already working with Pantawid Pamilya. These pre-existing relationships and processes allowed WFP to disburse funds faster, cheaper and more securely than otherwise would have been possible. In return, WFP agreed to disburse cash on time and pay DSWD for costs incurred during the implementation of the project.

Although DSWD and WFP were the only signatories to the ECT MOU, LBP, and in turn the other PSPs, also participated in the ECT project. Reportedly, Land Bank received a memo from DSWD with a copy of the signed DSWD-WFP MOU informing it of the partnership with WFP.³⁰ The MOU stated that LBP and select PSP partners – GXI (GCASH), PhilPost and rural banks – would pay recipients following the same process and earning the same fee per transaction as in non-emergency situations.

3. Implementation of the WFP-DSWD ECT Partnership: The Experiences of WFP and DSWD

Revalidating Recipients

Before paying recipients, Pantawid Pamilya had to complete the revalidation process. DSWD intended to identify and revalidate up to 705,052 registered Pantawid Pamilya recipients in three affected regions and issue temporary IDs that recipients would use to receive Pantawid Pamilya payments, all within five weeks of the typhoon hitting.³¹ Recipients verified their identities by answering five basic

²⁸ See WFP Rapid Market Assessment, Super Typhoon Yolanda, for more detailed information on the market assessment process employed.

²⁹ In addition to being Pantawid Pamilya recipients in a Pantawid Pamilya areas and affected by Typhoon Haiyan, recipient selection was also limited to a) areas suffering from rapid food insecurity and b) areas where markets were functioning for non-rice basic food items.

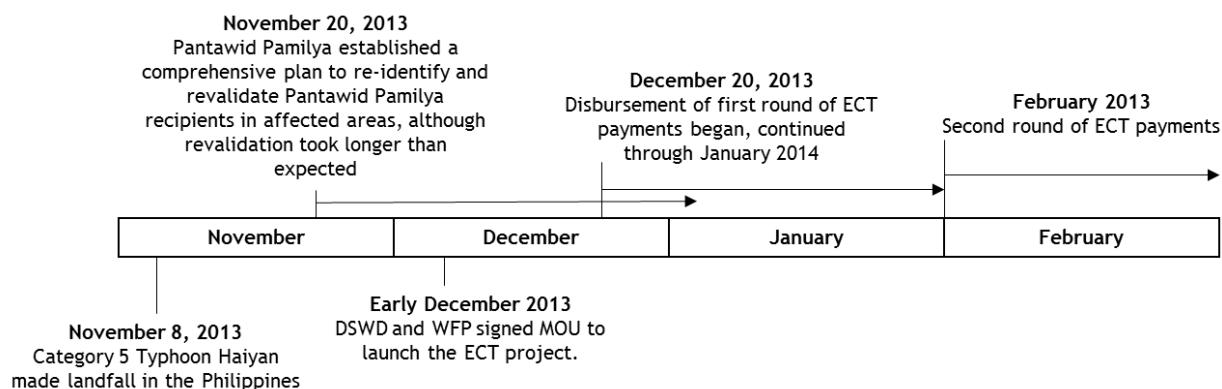
³⁰ While LBP and DSWD acknowledged and discussed the memo, they were unable to share the content of the memo at the time of this research.

³¹ The three affected regions were Regions VI (Western Visayas), VII (Central Visayas) and VIII (Eastern Visayas).

questions. The DSWD-issued temporary IDs had an official signatory and distinct markings to avoid explicit reproductions and contained a tracking number, which the program used as a reference during payouts.³² At the validation centers - typically large tents or other designated locations assembled and managed by Pantawid Pamilya staff - the verified recipients also received their acknowledgement receipts, which recipients had to show to receive their Pantawid Pamilya payments.

The timeline proved too ambitious: DSWD was still revalidating recipients when Pantawid Pamilya had scheduled the first payments. Due to the scale of the disaster, the process took longer than anticipated to locate, organize and communicate with the recipients. In some cases, Pantawid Pamilya staff tracked down recipients who had already fled to Metro Manila or other areas. The delay in revalidation also delayed disbursements. For example, original payout plans intended to disburse 100,000 payments via top-ups to regularly scheduled Pantawid Pamilya payments in December, yet by January 9, 2014 fewer than 32,500 payments had been made. Both WFP and DSWD admitted to underestimating the time this task would take. Staff noted that they needed more than one month of non-stop effort to revalidate all recipients in the affected communities.

Exhibit 1: ECT Timeline



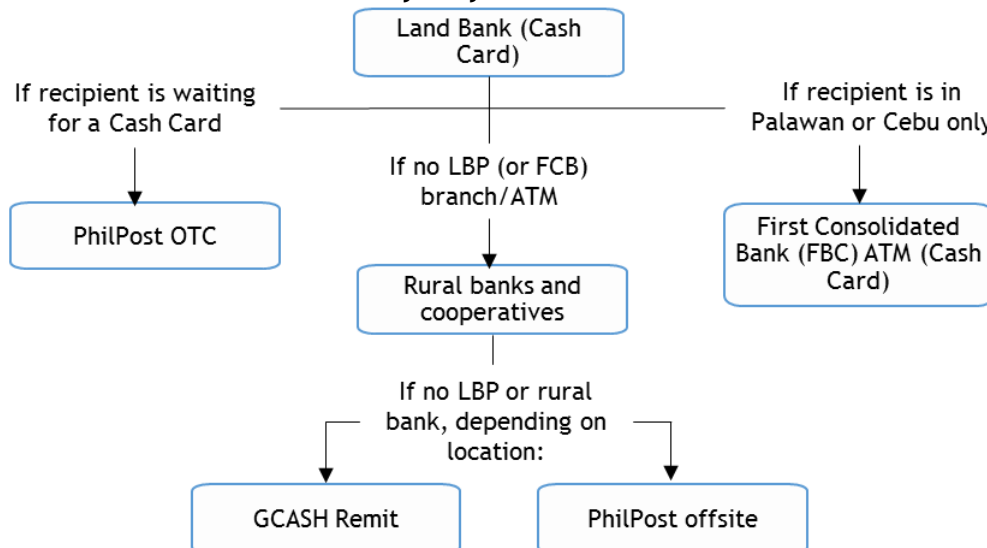
DSWD was candid about the challenge of revalidation, noting that it was the hardest part of preparing to make payments again. DSWD needed more human resources, equipment and budget to cover the additional work. In fact, DSWD had understood that WFP would provide equipment (generators, tents, etc.) to be used for revalidation, in addition to their assisting with the validation camps. However, WFP could not quickly procure the necessary equipment; rather, WFP could offer DSWD funds to procure the equipment itself. But DSWD's procurement procedures were also not designed for rapid acquisitions. In the end, despite WFP's willingness to provide funding for equipment, DSWD received neither equipment nor monetary resources since it was unable to procure the equipment. The lack of equipment became a costly problem. For instance, DSWD had to spend PHP 600,000 (US\$13,630) on paper and ink to create, print and transfer the 37,000 new acknowledgement receipts to affected areas. Additionally, staff had to duplicate efforts and spend overnights at the office for one week to make the payout happen. DSWD had no extra staff while the workload in the region increased.

Managing the Payments Disbursement Process

Land Bank manages the payments disbursement processes for all of Pantawid Pamilya, soliciting and contracting additional PSPs, managing the flow of funds to core accounts and ensuring sufficient cash and timely payments for all recipients through the LBP cash card system or via an over-the-counter (OTC) PSP payment arrangement. Exhibit 2 depicts the various mechanisms for Pantawid Pamilya payments, beginning with LBP.

³² See the WFP-DSWD MOU for an extensive explanation of the revalidation process. Note however, that some stakeholders interviewed mentioned that revalidation did not always go as planned. One interviewee claimed that at one point, revalidation only required the approval of the barangay head. This claim cannot be confirmed.

Exhibit 2: Mechanisms for Pantawid Pamilya Payments



For the ECT project, LBP and its PSPs used the same disbursement system they typically use to pay Pantawid Pamilya recipients, but under extreme conditions in the aftermath of Haiyan.³³

For all non-cash card payments, DSWD still required Pantawid Pamilya staff and PSPs to create and maintain acknowledgement receipts as proof of payment, per program audit rules. Additionally, LBP had to ensure PSPs would be prepared to make the Pantawid Pamilya and WFP payments. If PSPs were not prepared, LBP had to find a suitable alternative for making payments, such as a LBP mobile ATM van, contracting other PSPs and trucking in money for OTC cash payments. LBP and its PSPs also needed to ensure that sufficient currency was available for payouts, especially in areas most devastated by the typhoon.

Pantawid Pamilya operations staff noted that many PSP staff (particularly GCASH and PhilPost staff) lost their homes and, temporarily, their livelihoods in the typhoon. So in some areas Pantawid Pamilya struggled to get the cash it needed to make the payouts. Given that they were not sufficiently prepared to work in some affected areas in such an environment, the PSPs had to recruit third party small businesses to help them.

A Pantawid Pamilya Municipal Link, in charge of overall supervision of program implementation, coordination with municipal social welfare office and community facilities like schools and health centers, compliance monitoring and grievances, interviewed in Tacloban observed new staff members assisting with payments, which slowed the payment process since they were less familiar with it. Combined with heightened concerns over the security of moving large sums of cash in the period immediately following the typhoon, it soon became clear that re-establishing and expanding Pantawid Pamilya cash payments through this supply chain would take longer than WFP and DSWD had anticipated. On a positive note, the Municipal Link reported that in some Haiyan-affected areas where GCASH had issues transferring money to its agents making the payments, the agents were still able to make payments because they provided the money upfront for the payments (and were later reimbursed).

As approximately 31 percent of the payments were to be made via the LBP cash card (compared to nearly 40 percent of payments during normal operations), LBP also had to work quickly to ensure that these recipients received a replacement cash card in time for the payments. While LBP typically

³³ For more information on OTC payment processes, see *Striving for E-Payments at Scale: The Evolution of the Pantawid Pamilyang Pilipino Program in the Philippines* (CGAP 2013).

charges a PHP 100 (US\$2.27) replacement fee for lost cash cards, it waived the fee for all recipients in the Haiyan-affected areas. Some recipients needed to wait an entire day for their payments, or were not able to access their payments on time because LBP had still not replaced their cash card.³⁴

The challenge of the cash card reissuance raised the question of whether cash cards are as appropriate as OTC cash payments in emergency situations. In line with WFP's priorities for emergency cash transfers, some staff suggested it might be better to pay cash in a response and e-payments in a recovery. In responding to an emergency, they wanted to make sure recipients get the cash and set a schedule for when recipients may pick up their payments. At the time of the first post-Haiyan Pantawid Pamilya and WFP payments, ATMs were not yet back online and electronic payments were therefore not an option. However, in the recovery Pantawid Pamilya worked hard to switch back to the cash card; the cash card is the best option financially for Pantawid Pamilya because LBP does not charge a transaction fee, making it the lowest cost payment option. In addition, Pantawid Pamilya finance staff stated that payment via cash cards, even at a bigger scale, are also much easier to record and monitor than OTC cash. For reporting, cash card-based payments only require disbursement/credit reports, whereas other methods also require withdrawal reports and supporting documentation.

Disbursing Payments: Timing and Fees

The original ECT budget indicated WFP's intent to disburse two payments of PHP 1,300 (US\$29.53) each to approximately 100,000 Pantawid Pamilya recipients. WFP and DSWD had planned to make the first payments via a top-up to regularly scheduled Pantawid Pamilya payrolls in December 2013 and January 2014, after which they would conduct an ad hoc, WFP-only payout for a second payment by February 2014.

The data and information flows between WFP and DSWD did not always align quickly enough to compute the WFP top-up amounts for the outgoing payments planned in the Pantawid Pamilya payroll system. When this happened, PSPs would have to manage the payout process twice per recipient (i.e., two queues: one the Pantawid Pamilya payment and then one for the WFP top-up) in one day. The delayed payroll information also contributed to liquidity challenges for the PSPs. In each case, the LBP did not pay the PSP an additional fee for processing two rounds of payments.

By all accounts, WFP and DSWD were able to leverage the various Pantawid Pamilya PSPs to meet the ambitious project target in an extremely challenging situation, and at a reasonable cost. Table 1 shows the number of recipients paid through each PSP and the fee per transaction the PSPs charged to the program, depending on whether the WFP payment was separate from or simultaneous with the Pantawid Pamilya payment.

Typically, winning a Pantawid Pamilya PSP contract is a highly competitive process. As such, PSP service fees have decreased in recent years. Two years ago, GCASH earned PHP 75 (US\$1.70) per Pantawid Pamilya transfer it disbursed. Now, its fee per transfer is PHP 42 (US\$0.95).

For the ECT partnership, DSWD agreed to make all WFP top-up transfers—those simultaneous with Pantawid Pamilya payments—for no additional fee. For WFP-only payouts that did not come simultaneously with Pantawid Pamilya payments, LBP and its PSP partners would earn the contractually agreed-upon service fee for payments in non-emergency times, which varies by PSP from zero for any cash card-based withdrawals from LBP ATMs to PHP 50 (US\$1.14) for PhilPost and rural bank offsite payments.

³⁴ Under the typical process, the recipient must report the lost card to the Municipal Link who then sends a request to LBP, which according to Pantawid Pamilya staff, "took up to one year" to process a new card. However, LBP has just recently agreed to distribute any needed new cash cards every Saturday until it releases all new cash cards.

Table 1: ECT Payments Made Between December 20, 2013 and February 28, 2014

Payment Type	Payment Service Provider	HHs	Sum of ECT (PHP)	Sum of ECT (US\$)	Program Fee
WFP payouts only	Cash Card (CC)	30,583	39,757,900	903,178	None
WFP payouts only	Globe Remit (GCASH)	22,739	29,560,700	671,529	PHP 42 (US\$0.95)
WFP payouts only	Philippine Postal Corporation (PPC OTC)	2,273	2,954,900	67,126	PHP 24 (US\$0.55)
WFP payouts only	Philpost (PPC Offsite)	15,257	19,834,100	450,570	PHP 50 (US\$1.14)
WFP payouts only	Rural Bank (Offsite)	27,811	36,154,300	821,315	PHP 50 (US\$1.14)
WFP payouts only Total		98,663	128,261,900	2,913,719	
Simultaneous with DSWD payrolls	Globe Remit (GCASH)	22,979	29,872,700	678,617	None
Simultaneous with DSWD payrolls	Philippine Postal Corporation (PPC OTC)	2,343	3,045,900	69,194	None
Simultaneous with DSWD payrolls	Philpost (PPC Offsite)	15,264	19,843,200	450,777	None
Simultaneous with DSWD payrolls	Cash Card (CC)	30,650	39,845,000	905,157	None
Simultaneous with DSWD payrolls	Rural Bank (Offsite)	28,097	36,526,100	829,761	None
Simultaneous with DSWD payrolls Total		99,333	129,132,900	2,933,505	None
Grand Total		197,996	257,394,800	5,847,224	

Reconciling Payments

DSWD assumed its own reconciliation process would be sufficient for WFP's reconciliation requirements. However, WFP required more extensive documentation and reporting on recipients than either organization had anticipated. For example, WFP required scanned IDs. WFP suggested that DSWD send a scanner to retroactively scan documentation, but DSWD had little capacity to relocate and scan all of the documentation, some of which had been sent to the Commission on Audit as part of DSWD's own reporting process. Both DSWD and WFP recognized this as an unanticipated challenge, and WFP staff reported that even a year after the ECT partnership, it has still not reconciled all payments. As a result, WFP decided to hire extra staff to sort through the remaining boxes of paper acknowledgement receipts in order to finalize reconciliation of payments.

Managing the Flow of Funds

Forming lists, preparing payouts and managing the flow of funds (from WFP to DSWD to LBP to cash cards and/or PSPs) and disbursements that all needed to occur simultaneously and quickly required significant capacity within DSWD and its partners, both at headquarters and in the affected regions.

WFP committed in the MOU to transfer the required resources for the additional WFP-only and top-up payments at least five days before the scheduled payment date. This commitment created complications within WFP itself, requiring an internal agreement to override typical business processes in order to get the money to DSWD in time to distribute it; WFP legal and finance departments needed assurance that DSWD had already done the necessary due diligence on its PSPs, partners and systems. Even with the override in place, WFP was not always able to disburse funds for recipients' payments and administrative costs to DSWD as quickly as agreed.

4. Implementation of the WFP-DSWD ECT Partnership: Reflections and Experiences of the PSPs³⁵

Land Bank Head Office

LBP did not report getting cash to recipients via LBP or its PSPs as a major concern, perhaps since PSPs had to comply with their existing contracts. LBP used mobile ATMs to help disburse payments in hard hit areas (though these appear to have been used for five percent or less of the total payments made). Also, LBP pointed to its ability, as a government bank, to access the armed forces in order to airlift cash in a fast and secure manner.³⁶

Land Bank of the Philippines noted only three pain points in the ECT project:

1. Cash is more expensive than electronic payments. When dealing with cash, PSPs incur costs beyond the service fee, such as the costs of transporting and securing cash; such costs rise in emergency times. LBP staff look forward to the day when DSWD will make all its payments electronically, reducing costs for the bank.
2. DSWD needs to request the new cash cards faster. LBP claimed that delays in issuing new cash cards to affected recipients stemmed from slow communication from DSWD, instead of any complications on the bank's end. Once DSWD replaced a card, it could immediately issue a request for payment from LBP so that the recipient would get her money.³⁷
3. Emergency situations require reliable, accredited and capable PSPs (or available third party agents) to best disburse payments. In certain areas, LBP did not have a sufficient number of PSP partners prepared to quickly disburse payments.

PSP Field Staff³⁸

An agent and a representative of GCASH and PhilPost, respectively, working in Tacloban and surrounding rural areas explained their experiences in the aftermath of Haiyan.³⁹ Both PhilPost and GCASH had Pantawid Pamilya payments scheduled in November, but DSWD delayed the payments once Haiyan struck. PhilPost paid recipients about one month later than originally planned, and GCASH paid recipients about two weeks later than originally planned. PhilPost took longer to pay recipients since it served severely affected areas where electricity was down for months and bank offices and ATMs were damaged (Palo and Maasin). GCASH, serving less-affected areas (Babatngon and Tabontabon), was able to pay recipients earlier, as DSWD was able to more quickly update recipients in those areas. GCASH agents also had better access to withdrawing cash from banks since their areas of operation faced less infrastructure damage. Both PSPs claimed they were prepared to make the payments as soon as DSWD was ready.

Typically, PSPs reconcile all payments the same day that they make payments. However, despite the Pantawid Pamilya head office's emphasis on recipient revalidation, for the two payments after Haiyan (the payment period in December and the payment period in January/February), the PSPs understood

³⁵ Unfortunately, the researchers were not able to attain meetings with all of the payment service providers involved in the Haiyan response, whether at the head office or field level. The researchers provide the perspectives of the LBP head office and GCASH and PhilPost field staff in Tacloban, and acknowledge limitations in the depth of this information.

³⁶ We could not confirm whether LBP exercised this option in order to complete ECT payments.

³⁷ While this may be true in theory, it is likely that, given the scale and management processes in place for Pantawid Pamilya, Pantawid Pamilya does not have the capacity to arrange for these ad hoc payments via cash card.

³⁸ Given the scope of this study, the researchers were able to interview a limited number of PSP field staff from GCASH, SMART and PhilPost in rural areas outside of Manila and in urban and rural areas in Tacloban. This section provides experiences of two PSP agents operating in Haiyan-affected areas. Annex 1 highlights additional challenges that interviewed PSPs outside of Leyte face, which may become bigger issues in case of a disaster and are worth considering if and as WFP and DSWD continue to engage in an ECT partnership.

³⁹ PhilPost serves Palo and Maasin and GCASH serves Babatngon and Tabontabon, bringing the cash to each pay point, with the farthest being a 40 minute drive from Tacloban City in non-emergency situations. In the aftermath of Typhoon Haiyan, the drive took at least twice as long due to poor road conditions and clearing operations. GCASH typically pays from 250 to 2,000 recipients at a pay point, while PhilPost pays at least 700 per pay point, with the average number of recipients per pay point being 2,000.

that they were using previous payroll lists, not lists updated with the latest recipient payment amounts based on the program's conditionalities (children attending school, meeting health requirements, etc.) or revalidated lists. Since schools were closed, for example, recipients received a payment amount commensurate with the number of school-aged children they had. PSPs still reconciled payments after each pay date, as is done in non-emergency situations. DSWD updated recipients' compliance with program conditions after the payments in January/February. The PSPs claimed that the payments in the aftermath of the typhoon were therefore faster than usual, with the GCASH agent citing that recipients did not question their payment amounts.

PhilPost and GCASH were both able to get the money from their banks in Tacloban City. However, PhilPost encountered the challenge of not having access to smaller denomination bills (PHP 20 and PHP 50, equivalent to about US\$0.45 and US\$1.14, respectively) for the payments. PhilPost staff therefore had to visit other banks to change the larger bills for smaller denominations. The GCASH agent acknowledged that she assumed a greater risk in making payments after the typhoon, explaining that people were desperate and knew the agent carried cash for Pantawid Pamilya payouts, although no harm came to her.

Both PSPs also made WFP payments in the aftermath of Haiyan. They reported no distinct differences, other than the amount paid to each recipient and maintaining two separate lists, one for Pantawid Pamilya payments and one for WFP payments. In areas where the PSPs did not have a lot of recipients, they were able to pay both Pantawid Pamilya and WFP emergency payments at the same time, saving recipients the time and cost of additional trips to the pay points. In areas with more recipients, however, the recipients had to travel two extra times to the pay point to receive their WFP payments.

Given the PSPs' experiences after Haiyan, both the PhilPost and GCASH representatives said they would be ready and willing to make payments in other emergencies in order to assist their communities and support families in need in the aftermath of disasters, assuming they would be compensated accordingly. Both PSPs claimed that Pantawid Pamilya payments are a profitable business. For example, the PhilPost staff ranked money transfers, including Pantawid Pamilya, WFP and other social payments, as its third largest revenue (after mail and parcels). The GCASH agent pointed out that she receives a commission per transaction, so those areas with more recipients are more "lucrative" for her business. However, both PSPs also said they would require more human resources and would need to contract temporary staff to effectively serve in emergencies, apparently with the expectation of making more payments and therefore receiving more fees to cover additional staff.

5. Implementation of the WFP-DSWD ECT Partnership: Reflections and Experiences of the Recipients⁴⁰

Recipients interviewed in Leyte for this study received payments from WFP and Pantawid Pamilya after Haiyan and were aware of the two separate payments. Some recipients highlighted the month-long delay in payment, the physical condition of the pay points (such as the buildings having no roof), an issue that may not be quickly fixed in the post-typhoon context, and fixed payment schedules (for OTC recipients) preventing recipients from going at their convenience to get their payments.

⁴⁰ Focus group and individual discussions included recipients in the following areas and using the following payment methods:

- San Jose, Tarlac, GCASH (OTC)
- General Mariano Alvarez, Cavite, Smart (previously PhilPost)
- Quezon City, NCR, LBP cash cards
- Tacloban City, Leyte, LBP cash cards
- Babatngon, Leyte, GCASH (OTC)
- Palo, Leyte, LBP cash cards

This section focuses on those 32 recipients interviewed in Leyte. Annex 2 provides further challenges and benefits to recipients experiencing payments during non-emergency times. WFP might consider such challenges and benefits in determining the best payment methods during relief and recovery times for recipients if and as WFP and DSWD continue to engage in an ECT partnership.

All cash card recipients interviewed spoke highly of being able to withdraw their payments from the ATM in non-emergency situations. They cited the main benefits of using the ATM as being (1) convenient with no long lines because recipients can withdraw their payments at a time convenient to them; (2) accessible and near to their homes; (3) secure, since the bank provides security guards; (4) reliable, knowing the bank will have sufficient cash (and denominations) for payouts; and (5) easier than OTC payments since recipients do not need to provide IDs to withdraw. The biggest challenge of ATMs that recipients mentioned is the ATM going offline.

Despite recipients' enthusiasm for ATM payments, they did not necessarily prefer cash card payments from ATMs after Haiyan. Following Typhoon Haiyan, even cash card recipients received their payments through OTC in many cases, since the ATMs were not yet back online. Due to transportation challenges resulting from the destruction, cash card recipients said they would only prefer ATM payments if the WFP and Pantawid Pamilya payments arrived together so they would only have to travel once to withdraw. Otherwise, OTC payments closer to their homes are more convenient, safer and more practical if the power is still out and ATMs are therefore not functioning. In fact, some recipients reported it taking months for even Tacloban, a main city, to regain electricity, meaning ATMs were offline until the electricity returned or the banks brought in generators. With electricity being essential to making electronic payments, DSWD and WFP indeed benefitted from Pantawid Pamilya's organized OTC payment network, especially while ATMs were down.

Not surprisingly, OTC recipients preferred to continue receiving OTC payments post-Haiyan. GCASH recipients in Tacloban found it convenient that recipients could send representatives to withdraw the money for them. In Babatngon, recipients said they preferred GCASH OTC disbursements since they would have had to travel to Tacloban to use a card and withdraw from an ATM, which was difficult to reach due to Haiyan's destruction. They had positive experiences with their GCASH agent being competent and prepared with sufficient staff and cash. However, they were aware that other areas receiving emergency payments had problems with (i) PSP staff arriving late to pay points; (ii) PSPs needing to hire new staff that was not prepared for the scale or process of making payments; and (iii) PSPs not having enough bills of the required denominations.

Generally, as well as in the emergency context, recipients highlighted the role of the Municipal Links and local government unit (LGU) officials supporting the payments process to ensure the recipients received their payments. Providing an avenue of information and recourse for recipients, Municipal Links appear to be a useful group to involve in emergency situations, particularly considering the recipients said they would expect to receive their payments even following natural disasters or other emergencies.

6. The Outcomes of the ECT Partnership

By several measures, and particularly considering the circumstances, the WFP-DSWD ECT project was a successful – perhaps even unprecedented – example of a large-scale emergency cash transfer. Within a few short weeks after the super typhoon's destruction, WFP and DSWD were able to work together to a) identify and revalidate hundreds of thousands of displaced Pantawid Pamilya recipients; b) conduct rapid market assessments to determine suitability of cash transfers vs. in-kind aid; and c) plan and coordinate payments among several PSPs to disburse nearly 200,000 payments to almost 100,000 affected households at d) the same cost per transaction they would pay in non-emergency situations. In fact, despite intense efforts to employ emergency cash transfers by dozens of local and international NGOs during the Haiyan response, none were able to reach so many recipients so quickly.

To systematically evaluate the WFP-DSWD partnership, this section offers six key criteria to assess how well Pantawid Pamilya and its PSPs aligned (and still align) with WFP's emergency cash transfer response needs.⁴¹



⁴¹ The authors established the criteria described; WFP and DSWD did not evaluate this criteria before entering into a partnership for Typhoon Haiyan.

- **Program has effective relationship with PSPs.** Do the program and PSP(s) see a continued relationship, or is it at risk of ending soon? Are the program and PSP typically able to coordinate to pay recipients on time? In emergency situations, such as after typhoon, would the program and PSP be able to work together to make on-time payments?
- **Program has the flexibility to make additional payments or add more recipients.** Do the program and PSPs have the capabilities to promptly add payments or recipients (at least temporarily)?
- **PSP has access to sufficient infrastructure to make payments that are relatively low-cost to the program.** Are the necessary infrastructure and systems in place for each PSP? How do PSP transaction fees compare to other fees in low- and middle-income countries?
- **Recipients trust PSP to pay them the correct amounts on time at a location convenient (or at least not inconvenient) for recipients.** Do recipients have problems receiving their payments, whether because payments are late or the incorrect amount? How far do recipients have to travel for their payments? How long do they have to wait to get their payments?
- **Program serves a significantly large and inclusive group of recipients likely to be affected by natural disasters or other emergencies.** Does the program cover a substantial number of relevant beneficiaries in rural and urban areas?⁴² Does the program have a database that is comprehensive, inclusionary and up-to-date?
- **Program is ready to embrace emergency response partnership with WFP.** Are the program and supporting stakeholders prepared to partner on an emergency cash transfer initiative? Does staff appear willing to (and perhaps compensated for) work additional hours, such as in emergency situations? Is staff available to deliver messages to recipients when necessary? (Do they?)





Table 2 lists the criteria and rates how Pantawid Pamilya align with the criteria based on a scale of red, yellow and green circles. Red indicates that Pantawid Pamilya and WFP do not align; yellow indicates they align somewhat; and green indicates that they align significantly.

	Align significantly
	Align somewhat
	Do not align

Table 2: How Pantawid Pamilya Aligns with WFP Key Criteria

Criteria	Rating	Comments
Program has effective relationship with the PSPs.		The Pantawid Pamilya payment system employs a well-established hierarchy of PSPs that LBP centrally manages. Contracts for Pantawid Pamilya PSP partners are competitive and have generated a pool of qualified and responsive electronic and OTC PSPs willing to operate at low-cost.
Pantawid Pamilya and the PSPs have the capacity and flexibility to make additional payments or add more recipients.		The ECT partnership demonstrated that both the program and the PSPs were flexible and capable of distributing additional payments to Pantawid Pamilya recipients, albeit not as smoothly as originally envisioned and designed. However, the program and PSPs underestimated the staffing capacities required to deploy additional payments in an emergency response. Also, DSWD has the capability to add more recipients through the MCCT system, which has a lower inclusion criteria, and did so during the Haiyan

⁴² The research team used program size as a criteria in earlier stages of the project in determining which program to study in depth.

Criteria	Rating	Comments
		response.
PSPs have access to sufficient infrastructure to make payments that are relatively low-cost to the program.		Payment infrastructure in the Philippines is relatively strong and Pantawid Pamilya has created a strong network of PSPs that appear committed to fulfilling operations even in post-disaster environments. Pantawid Pamilya boasts some of the lowest PSP transaction fees compared to PSPs from cash transfer programs in other middle- and low-income countries. ⁴³ However, while PSPs made additional payments at the fee levels used during normal operations, some of them had to hire third party agents to pay all recipients, indicating that PSPs may require additional resources to support payments in post-disaster settings.
Recipients trust the PSP to pay them the correct amounts on time at a reasonably convenient location.		Pantawid Pamilya recipients demonstrated sufficient trust and confidence in the program and the PSPs that distribute payments. Overall, recipients appear comfortable with the distances they travel to get their payments.
Program serves a significantly large and inclusive group of recipients, likely to be affected by natural disasters or other emergencies.		Pantawid Pamilya is the largest G2P program for poor and vulnerable households in the Philippines. However, as exposed in the ECT partnership, Pantawid Pamilya does not cover all the poor and vulnerable in the country. While Pantawid Pamilya's add-on Modified Conditional Cash Transfer program covers families with special circumstances, such as homeless families, others excluded would require a separate intervention to reach in an emergency response.
Program is ready to embrace emergency response partnership with WFP.		DSWD indicated a strong willingness to partner with WFP in the future. WFP and DSWD have the opportunity to strengthen the partnership by building on the lessons from their partnership during Haiyan.

The Challenges of the ECT Partnership

Pantawid Pamilya's close alignment with the criteria demonstrates its strength as a partner for WFP. Assuming WFP and DSWD want to continue their partnership, both organizations would benefit from discussing the challenges they faced during the ECT project, and those faced by the PSPs and recipients. The challenges may be broadly divided into three categories.

First, DSWD and WFP underestimated the financial, time and human resources required. For example:

- DSWD's revalidation of recipients took longer than DSWD or WFP anticipated;
- Pantawid Pamilya staff worked around the clock, particularly during revalidation;
- PSP staff, recovering from the typhoon like Pantawid Pamilya recipients, did not always have sufficient cash and human resources to pay all recipients without hiring new staff; and
- Both parties underestimated costs, such as to cover materials during revalidation, and the procurement challenges to obtain necessary equipment on an expedited basis.

Second, DSWD and WFP experienced procedural inefficiencies:

- Neither DSWD nor WFP anticipated procedural backlogs and payrolls delays slowing the funds disbursement from WFP to DSWD and from DSWD to recipients. As a result, DSWD

⁴³ For a comparison of transaction fees across select low- and middle-income countries, see Annex 4.

on some occasions had to process two payrolls (one for WFP top-ups and one for the Pantawid Pamilya payment) for one pay date, requiring two separate payments whereas only one was supposed to be administered;

- Related, WFP procedural backlogs delayed the disbursement of funds to DSWD; and
- Different from DSWD's, WFP's reconciliation needs created significant additional work for WFP.

Third, DSWD and WFP learned the limitations of the infrastructure:

- The post-Haiyan environment was not one completely conducive to electronic payments: only around 30 percent of ECT project payments were made via cash card;
- Even in Tacloban, electricity was out in some areas for months; and
- Recipients struggled to travel to pay points on damaged roads.

7. Recommended Next Steps for the WFP-DSWD ECT Partnership

The results of the ECT project suggest a strong partnership between WFP and DSWD. However, the organizations should specifically address and take action on the following topics to improve future collaboration.

Develop a pre-set agreement listing expectations and assumptions, with the understanding that disasters are unpredictable and require flexibility.

Negotiating contracts with partners and PSPs can cause frustrating delays for organizations tasked with emergency cash transfer response, as was the case for WFP as well as several NGOs and aid agencies involved in the Haiyan response. One recommendation that resonated across all stakeholders interviewed for this study was a call for pre-negotiated and standby agreements establishing the basic terms and conditions of partnerships in advance of an emergency situation, while remaining flexible enough to adapt to the context and needs of a particular response and/or recovery situation. For WFP, the DSWD partnership offered irreplaceable benefits in term of cost-sharing, scalability, targeting of very vulnerable households and access to established PSP contracts that would be impossible to replicate on short notice through stand-alone agreements with individual PSPs or cooperating partners.⁴⁴

Improve identification and revalidation processes.

The Pantawid Pamilya identification and revalidation process was an arduous, time-consuming and costly undertaking. As the first step in re-establishing the Pantawid Pamilya payments process, delays at this stage impacted WFP's operations as well. DSWD and WFP are exploring several solutions, including considering the use of biometrics or using lessons or components from WFP's Scope system. Another development of note is DSWD's Mobile Civil Registration Project, currently in the early stages of deployment, in a partnership with Ideals (an NGO) and BanKO (a payment service provider who was active during the Haiyan response). While a thorough evaluation of the various options is out of the scope of this research, WFP would benefit from careful consideration of the latest ideas and options in order to recommend to DSWD (or a similar partner) during future emergency responses.

Clarify monitoring and reconciliation requirements at the beginning of the partnership.

At the start of the ECT project, WFP did not clearly communicate to Pantawid Pamilya its reporting rule that it required scanned copies of all Pantawid Pamilya acknowledgement receipts and IDs associated with the WFP top-ups. However, considering the scale of the project, the urgent timeline for implementation and the resources and costs associated with that level of paperwork tracking and management, it may have been an unreasonable requirement in the first place. To be sure, it will remain a challenge in any similar future partnership with DSWD (and likely other potential partnership able to work at this pace and scale). For DSWD's part, the staff is aware of the heavy burden and challenges of managing the Pantawid Pamilya paper trail for non-cash card recipients. The Government of the Philippines Commission on Audit, the World Bank and others are working to reduce this burden, largely by focusing on a greater reliance on cash cards and point-of-sale devices that do not require

⁴⁴ However, while Pantawid Pamilya and its sister program MCCT continue to expand, the programs risk exclusion errors and capacity deficits that may not always make them the best partner for all ECT projects.

paper receipts. According to Pantawid Pamilya staff, PSPs are already proposing the use of POS devices. Such a shift would facilitate the distribution of future Pantawid Pamilya payments, but does not mitigate the risk of PSPs unable to make electronic payments in a post-disaster environment with damaged infrastructure. However, currently Pantawid Pamilya PSP rules allow only LBP to supply cash cards, something that will need to change if cash cards are to become a more common Pantawid Pamilya payment modality as LBP does not have the capacity or reach to pay all Pantawid Pamilya recipients with such a method.

WFP should consider whether it could modify rules or systems to allow partners to fulfil WFP requirements while taking into account the heavy burden it poses.

In order to comply with its own finance and accounting rules, WFP required a separate, duplicative reconciliation process that did not take into consideration that the Pantawid Pamilya system already had a process in place. WFP needs a mechanism whereby it can adopt or accept the government's accountability systems and not impose such burdensome redundancies. In absence of this flexibility, WFP will likely face challenges in effectively leveraging national safety net opportunities in the future.

Encourage stronger communication at the local level.

Pantawid Pamilya's Municipal Links are responsible for informing Pantawid Pamilya recipients about their next payments, managing recipients' complaints or questions and organizing Pantawid Pamilya recipients on payment dates. After Haiyan, in addition to updating recipients about rescheduled payment dates, DSWD also tasked the Municipal Links with assessing recipients' situations, reporting their status to the municipal office and translating for foreign agencies. Despite the significant demands on the Municipal Links, especially after Haiyan, recipients acknowledged the Municipal Links' as key communicators between recipients and the program. Municipal Links are important to strengthen communications with recipients about payment dates and amounts, reasons for receiving the money or what to spend it on and resolving issues, should any arise.

Re-evaluate the criteria used to assess payment modalities used in humanitarian crisis situations.

The ECT project exposed the practical trade-offs between the cost and time efficiencies of using electronic payments and the ultimate objective of getting cash quickly into the hands of the typhoon victims, a challenge Pantawid Pamilya and its PSP partners had not faced at such scale. The key stakeholders struggled with having to identify recipients and redistribute LBP cash cards, as well as ensure enough working ATMs and pay points, in the aftermath of the typhoon, leaving some stakeholders to wonder if it would be easier to deal only in cash. At the same time, giving out cash detracts from what makes e-payments an attractive modality for implementing organizations in the first place. Electronic payments are the cheapest option for Pantawid Pamilya and WFP: LBP cash cards payments come with no service fee and reduce the costs of setting up and managing payouts by relying on ATMs rather than agents or merchants. Additionally, cash card payments do not require paper receipts for monitoring and reporting, reducing one of the heaviest burdens (and biggest challenges) that WFP and DSWD faced in the partnership.

However, while electronic payments should be easier and more cost efficient for the program, post-disaster situations are unlikely to support emergency electronic payments unless the Government and other emergency responders place a heavy emphasis on fixing infrastructure in the immediate aftermath of natural disasters. Even if banks are able to connect to a generator or electricity returns quickly, the damaged roads create an additional barrier for recipients to overcome to withdraw their payments at ATMs in cities and towns. As such, Pantawid Pamilya's network of OTC PSPs will continue to be an asset in times of emergency, even if the program ultimately moves toward increasing the number of recipients paid electronically in non-emergency situations. Pantawid Pamilya already having this OTC network in place, while also maintaining and growing an electronic payment mechanism should be considered an asset for future WFP-DSWD partnerships. Meanwhile, WFP and DSWD can as an immediate step take stock of lessons from the Haiyan ECT partnership experience to re-evaluate Pantawid Pamilya contingency payment plan for future emergency situations.

Engage PSPs in the conversation and consider whether to engage additional PSPs.

In order for PSPs to also prepare for emergency cash transfers, WFP and DSWD should maintain a

dialogue with LBP to understand the PSPs' capabilities and limitations. LBP and Smart Money even advocated for a standard agreed-upon decision-making matrix that outlined the most effective payment modalities and processes for different types of emergency response situations and different post-disaster areas.

In cases where PSPs do not appear to be sufficiently prepared to make emergency cash transfers, WFP would benefit from additional analysis to determine whether it should adopt additional partners in certain disaster-prone areas where Pantawid Pamilya recipient and PSP networks are not strong, whether as part of an arrangement with DSWD or in addition to the arrangement. USAID's SIMM project has completed a geo-mapping of PSPs and ATMs in partnership with BSP that might provide an indication of what other potential PSP partners exist for WFP.⁴⁵

Review the experiences of other Haiyan response operations for additional take-aways and lessons learned.

With dozens of NGOs implementing cash transfer and e-payment responses during Haiyan, WFP has a lot to gain from an assessment of the lessons learned from the design and implementation of NGOs' programs and partnerships.⁴⁶ One Mercy Corps staff member who has been active in researching and sharing lessons learned from the Haiyan response noted that no financial service provider was really prepared to meet the ambitions of NGOs and others wanting to rapidly disburse cash to affected recipients. Despite donor and aid agency enthusiasm for mobile payments in the Philippines and elsewhere for emergency response, only three aid agencies - UNDP, Mercy Corps and Goal International - chose to use mobile payments during the Haiyan response, and they implemented these deployments more in the recovery period than the response period, and at a smaller scale than envisioned. Sharing experiences, documenting lessons learned and developing more effective solutions based on comparing different partnership and deployments will help WFP and other organizations strengthen individual and coordinated responses in the future.

Consider the future of the Pantawid Pamilya payments scheme and its potential effects on partnerships.

DSWD is undergoing an intensive evaluation and technical assistance project with the World Bank to enhance its social protection schemes that will include examining its targeting and payments processes. While this effort was only underway during the research period of this study and the team was unable to share its preliminary findings, interviewed Pantawid Pamilya staff indicated that recommendations stemming from this assistance will strongly influence the future direction of the Pantawid Pamilya program in particular, and social protection in general, in the Philippines. While it is impossible to predict what the recommendations will be or how they will ultimately influence Pantawid Pamilya operations or payment modalities, Pantawid Pamilya leadership described several potential changes that may influence the nature and details of an ECT partnership in the future:

- *Decentralization of funds, payroll creation and payment schedules.* Currently, LBP and DSWD choose PSPs via a centrally managed Bids and Awards Committee. In some cases, this means that the most efficient PSP may not be functioning as it should in certain areas of the country. For example, a Pantawid Pamilya staff member questioned how LBP can assess whether a PSP based near Manila is capable of making payments in Mindanao. DSWD might therefore benefit from decentralized decision-making if it allows modes of payments and pre-disaster partner assessments to be decided locally, presumably where staff would know the best prepared PSPs in the area. However, this also requires infrastructure and capacity in those regions to make those decisions, as well as an overhaul of long-standing Pantawid Pamilya payments rules, regulations and processes.
- *LBP may not always be primary PSP.* When Pantawid Pamilya began, the General Appropriations Act mandated its selection of LBP as primary PSP for the program. However, the 2014 Act just says "Authorized Government Depository Bank." As Pantawid Pamilya

⁴⁵ See the full mapping completed here: https://www.google.com/maps/d/viewer?mid=zs_H893eRKo0.kTHWddX3Sr50

⁴⁶ See Annex 3 for lessons learned from other ECT deployments post-Haiyan.

leadership consider the future of the program's payment system, they remarked on LBP's need to improve its own infrastructure and systems if it is to maintain the primary PSP position.

- *Pantawid Pamilya list changing from households to families.* Pantawid Pamilya currently only selects recipients based on households. In that system, the program only considers the average of three children as a rule, although it realizes that households may have as many as 15 members. In other words, a household of five and a household of 15 receive the same grant amount. Starting in 2015, Pantawid Pamilya will migrate its lists and targeting from households to families to consider multiple families in the same household. The program expects the total number of beneficiaries to increase because multiple families often live within one household.
- *Making the link to financial inclusion more intentional and explicit.* Beyond the reported recommendation that Pantawid Pamilya move to more universal usage of cash cards for Pantawid Pamilya payments and consider an updated mapping of the payments system, Pantawid Pamilya program staff also shared that the World Bank is "pushing for recipients to have proper bank accounts, not just cash cards." To do so, they said that the Bank will recommend having rural banks and cooperatives be of more "assistance" in order to maximize inclusion.
- *Listahanan.* The Listahanan, or the National Household Targeting System for Poverty Reduction (NHTS-PR), is the Government's new management information system that identifies who and where the poor are in the country and will serve as the basis for identifying potential recipients of social protection programs. Eventually, Pantawid Pamilya will migrate all recipients to this new list, which should provide a more comprehensive targeting mechanism for future ECT deployments. For now, however, Pantawid Pamilya reports that it is experiencing technical problems migrating Pantawid Pamilya recipients to the list. Pantawid Pamilya's completion of its updated household assessment in 2015 (it conducted the last one in 2009/2010) will be critical to moving this process forward. Pantawid Pamilya staff noted that the 2009/10 assessment does not contain many recipients added recently, such as those in the MCCT program. The Government still needs to approve the supplemental budget of PHP 1.9 billion (US\$43.2 million) to conduct this assessment.

Monitor how the policy focus on financial inclusion impacts G2P schemes in the future.

The Government, and in particular the BSP, has a strong policy focus on financial inclusion of the poor. It also recognizes the need for greater interoperability among financial providers, though it is taking a cautious approach. In the long-term, more effective and efficient interoperability could decrease the need for separate MOUs with each PSP; one partner could distribute funds into the bank accounts or mobile wallets of recipients at any financial institution. To meet WFP's need for a reliable e-payment system in the immediate aftermath of a natural disaster, the channels governed by these commercial agreements (ATMs, POS, agent networks, etc.) would need to withstand disasters or be quickly repaired following disasters. Currently WFP is not heavily involved in the policy space in the Philippines but could see major benefits if there are significant developments.

Conclusion

The ECT project is a model for WFP's future emergency cash transfer partnerships. Benefitting from the processes and partners that Pantawid Pamilya already had in place, WFP was able to disburse money to more recipients faster than any other international humanitarian response effort. Additionally, Pantawid Pamilya's partnerships with electronic and cash-based PSPs provide the diversity and breadth of payment modalities that WFP requires to effectively and efficiently reach recipients in emergencies. Going forward, WFP and DSWD should coordinate during non-emergency times to strengthen their agreement and clarify roles, while also monitoring how the Government's focus on financial inclusion and Pantawid Pamilya's evolution may further contribute to more efficient and effective emergency cash transfers.

Annex 1: Other Field-Level Staff Experiences and Observations about Emergency Cash Transfers

Pantawid Pamilya Staff

Municipal and City Links appear to be well trained to work as coordinators between Pantawid Pamilya and recipients. Their roles are endless, however, and include receiving calls at all hours, managing recipients and their questions and complaints and resolving issues when recipients do not get paid. In San Jose, Tarlac (outside of the Haiyan-affect area) the Municipal Links reported that, in addition to working with Pantawid Pamilya, they are in charge of validating the elderly for DSWD's pension scheme, but for no additional compensation. If a PSP comes late on a payment date, the Municipal Links must remain for as long as the payments take (and still be present from the time the PSP was scheduled to arrive). As such, in an emergency, they would expect to most efficiently work with more human resources, which DSWD can only cover with more financial support.

In case of another emergency, a Municipal Link from Tacloban cited the need for PSPs to increase the number of staff making payouts (even if the new staff are less experienced). She also highlighted the need for adequate compensation and benefits for disaster-related work, e.g. life and/or hazard insurance. She emphasized the importance of communication and information sharing, particularly for the Municipal Links, in order to inform recipients in a timely manner. The communication extends from DSWD and other government agencies to local government to field staff and recipients. Finally, she acknowledged the utility of emergency protocols, which are in place and she reviewed as working well from the government's side. However, PSPs might better prepare their staff for emergency situations (perhaps with more notice from LBP) so they are still prepared to make timely payments.

PSPs

Considering the agents' experiences in Tacloban after Typhoon Haiyan, the PSPs' payments in non-emergency situations elsewhere in the country are reasonably straightforward. However, the PSPs cited several challenges that they may manage well for regular payments, but which may become a bigger issue in case of a disaster:

- **GCASH may take weeks to pay its agents.** In San Jose, Tarlac, a GCASH agent told us the Pantawid Pamilya business is "good" for her women's financial cooperative that she runs. However, the cooperative must front the cash for payments and GCASH will only reimburse the money after the agent makes the payments and GCASH reconciles the agent's paperwork. The agent told us that it can take weeks to recover the cooperative's money following a payout. While she would be willing to make additional payments, including those in a time of emergency, her cooperative would require quick reimbursement or, depending on the volume and value of payments, an (interest free) advance from a partner bank.
- **PSPs outside of Tacloban also acknowledged security concerns.** The GCASH agent in San Jose also acknowledged the security risk of traveling to remote areas with the cash, but she does not rely on security when traveling.
- **Lack of real-time settlement adds to PSPs' workload.** Although Pantawid Pamilya uses GCASH agents, the only electronic component of their Pantawid Pamilya payments are the SMS that GCASH agents must send to GCASH to confirm payment to each recipient. That is, the agent must send one SMS per recipient. Initially, the agent in San Jose explained they would have to send the SMS at the exact time of paying the recipient. However, she struck a deal with GCASH that her and her staff would send the SMS for each recipient at the end of the day once they completed the payments. Similarly, PhilPost's entire system is paper-based; nothing is electronic. For a PhilPost post master in Cavite, she recognized that the paper-based system calls into question the efficiencies of reconciliation. However, PhilPost would be able to continue making payments even during power outages (which are not frequent, but may occur in times of disaster, as seen in Tacloban).
- **PSPs may struggle to recruit temporary staff due to lack of trust.** The PhilPost post master in Cavite relied on only one staff member to assist her with Pantawid Pamilya payments and

recipients complained of the time it took to receive their payments. However, the post master said she would not be inclined to quickly hire more staff for payments because she would not trust them. This conflicts with the PSPs' expressed need to hire more staff for emergency payments.

Annex 2: Additional Recipient Experiences with Pantawid Pamilya

The nationally scaled program serving over 4.4 million recipients reaches people of diverse backgrounds in rural, peri-urban and urban areas with different economic activities. Recipients located in Leyte and affected by Typhoon Haiyan as well as those located elsewhere in the country provided their experiences with Pantawid Pamilya.

Cash card recipients in Quezon City (NCR), as well as those in Tacloban and Palo (Leyte) praised the convenience of accessing their payments through ATMs. They reported no problems remembering their PINs and were comfortable using the ATMs, with ATM security guards assisting them in case of any problems. They cited the main benefits of using the ATM as being (1) convenient with no long lines because recipients can withdraw their payments at a time convenient to them; (2) accessible and near to their homes; (3) secure, since the bank provides security guards; (4) reliable, knowing the bank will have sufficient cash (and denominations) for payouts; and (5) easier than OTC payments since recipients do not need to provide IDs to withdraw. The biggest challenge of ATMs that recipients mentioned is the ATM going offline.

Most recipients receiving OTC payments through PSPs preferred OTC, however, often because of their distance from ATMs. In San Jose, Tarlac, recipients are one hour from the nearest ATM and must pay PHP 55 (US\$1.25) to reach it. They therefore find the OTC system to be convenient, with a GCASH agent coming to them. OTC payment recipients find the payments process to be secure, since the PSP pays recipients in a town hall with police present; simple, since they can follow the Municipal Links' directions; and accessible and "cheap", since they do not have to travel far or pay to reach the pay point. While recipients benefit from the convenience of OTC payments, they also have encountered a number of issues. First, PSP staff is sometimes late to arrive at the OTC site, adding to the recipients' wait time. Due to long wait times, recipients also perceive this issue as the PSPs lacking sufficient, competent staff. Additionally, the OTC payments occur on a specific day and, if the recipient is unable to pick up her payment on that date, she must reschedule with the Municipal Links. Finally, some PSP staff struggle to have enough bills of the required denominations: For example, in certain instances recipients have experienced the staff assigning them to three person groups and paying each group the total amount owed to them, leaving recipients to find the necessary change to split the payment three ways. Given all the issues with OTC payments, recipients in Cavite, who currently receive payments through Smart agents, actually said they would prefer ATM payments because those are more convenient and less coordination work for program staff and representatives.

Annex 3: Comparison of International and Government Agencies' Haiyan Response Experiences⁴⁷

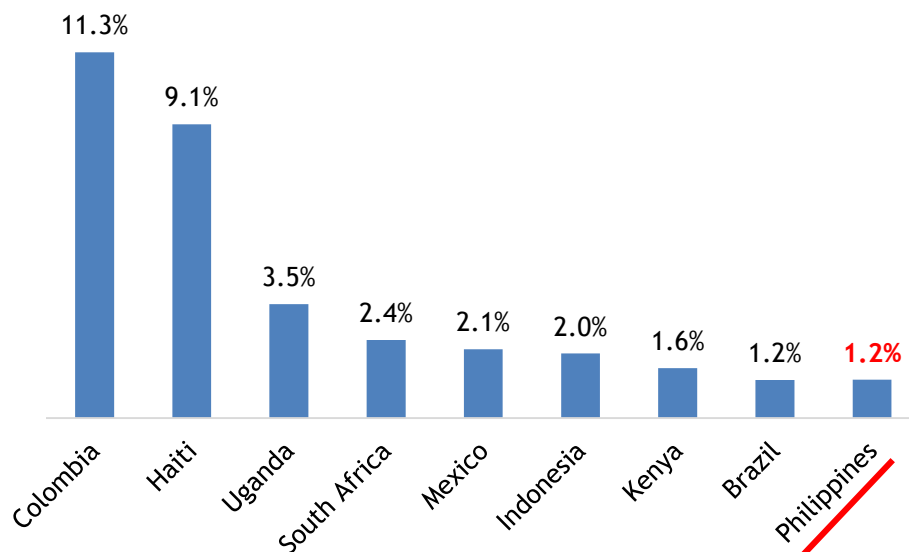
Name/Partners	WFP/DSWD	WFP/Smart	Smart/UNDP	UNICEF/DSWD	Mercy Corps/BanKO
Objective	Emergency Cash Transfer Response	Cash for Assets project	Cash for Work during emergency response; Paid people to clear roads, repair buildings	Recovery and rebuilding	Emergency Response, with financial inclusion
# of Recipients	Approximately 100,000 recipients in region VI and VIII		5,000 in 4 areas in the Visayas	5,800 households of 5 municipalities in Eastern Samar	Target of 25,000 in Cebu, Leyte and Panay
Amount	PHP 1,300 (US\$29.53)/month for 2 months			PHP 4,000 (US\$90.85)/month for 4 months	PHP 3,950 (US\$89.72) total across three payments
Payment Modality Used	Pantawid Pamilya payment service provider and PSPs (mix of cash cards and OTC payments)	Smart Money with LBP (originally planned for mTransfers, but OTC in the end.	(Smart/LBP partnership); via mobile cash transfers with SIMs linked to LBP accounts	Pantawid Pamilya payment service provider and PSPs (mix of cash cards and OTC payments)	BankKO mobile banking product (with GCash)
Timeframe	Dec 2013 to Feb 2014	June 2014	Started in November 2013	July and December 2014	Intended as emergency response but took months to make first payment
PSP Fees	No fee for Pantawid Pamilya payment top-up; no fees if cash card; regular Pantawid Pamilya fees (PHP 24-50/transfer) for WFP Top-Up Only			PSP gets two fees per payment (one from DSWD and one from UNICEF, even though it was one payment)	
Challenges	WFP arrangement was to give DSWD the funds to procure, but WFP requires DSWD to request funds as reimbursement, which was different from MOU. Revised MOU allowed WFP to advance 60% to DSWD but procurement takes so long under DSWD procedures that the MOU expired before any reimbursement was made.	Contract negotiation challenges around payment systems and fees delayed the start of the program by 5 months.			Only 1,351 of the 25,000 target recipients received the transfer: "BankKO did not imagine the complexity of the situation: So their costing, expenses, planning, were all underestimated."
Other Notes	Training offered at WFP office, but only 1 person went (given efforts on-going on at the office); contract only took 6 weeks		UNDP did all targeting and "preparations"; Got waiver from BSP to relax KYC requirement; Smart Provided phones with SIMs	10 people attended training provided at DSWD office; DSWD provided needs list to do the payments; UNICEF provided own forms and wanted to reach recipients not reached by WFP	They had a previous relationship but had not had any early conversations about partnering in an emergency

⁴⁷ Data included where it was made available during this research. Further data gathering and analysis on the lessons learned from all post-Haiyan emergency cash transfer response is worthwhile and recommended, but out of the scope of this study.

Annex 4: Comparison of Cost per Transaction for G2P Programs in Low- and Middle-Income Countries⁴⁸

Exhibit 3 shows Pantawid Pamilya's position in terms of cost per transaction as compared with other G2P programs in low and middle-income countries. Table 3 provides more details about the programs.

Exhibit 3: Cost per Transaction for G2P Programs in Low and Middle-income Countries



⁴⁸ Data for Brazil, Colombia, Mexico and South Africa comes from CGAP's Focus Note 77: Bold, Chris, David Porteous and Sarah Rotman. *Social Cash Transfers and Financial Inclusion: Evidence from Four Countries*. Washington, February 2012. <http://www.cgap.org/sites/default/files/Focus-Note-Social-Cash-Transfers-and-Financial-Inclusion-Evidence-from-Four-Countries-Feb-2012.pdf>
Data for Haiti, Kenya, Philippines and Uganda comes from CGAP's Focus Note 93: Zimmerman, Jamie, Kristy Bohing and Sarah Rotman. *Electronic G2P Payments: Evidence from Four Lower-Income Countries*. Washington, April 2014. <http://www.cgap.org/sites/default/files/Focus-Note-Electronic-G2P-Payments-April-2014.pdf>
Data for Indonesia comes from interviews conducted by BFA in December 2014.

Table 3: Details about Transaction Costs for G2P Programs in Low and Middle-income Countries⁴⁹

Country	Colombia	Haiti	Uganda	South Africa	Mexico	Indonesia	Kenya	Brazil	Philippines
Program and date data gathered	Familias en Accion (2011)	Ti Maman Cheri (2013)	SAGE (2014)	Child Care, Old Age Pension (2011)	Oportunidades (2011)	PKH (2014)	WFP Cash for Assets (2013)	Bolsa Familia (2011)	Pantawid Pamilya (2014)
% electronic payments ⁵⁰	91%	31%	80%	100%	34%	0%	100%	99%	41%
Number of recipients	2.4 million	75,000	95,000	9 million	5.8 million	2.8 million	62,000	12.9 million	4.5 million
Payment frequency	Bi-monthly	Bi-monthly	Bi-monthly	Monthly	Bi-monthly	Quarterly	Monthly	Monthly	Bi-monthly
Average grant per recipient	\$55.10	\$15.00	\$19.34	\$144.70	\$118.20	\$36	\$34.12	\$71	\$63.01
Weighted average fee per payment	\$6.24	\$1.36	\$0.68	\$3.5	\$2.52	\$0.72	\$0.53	\$0.84	\$0.75
As % of average grant	11.3%	9.1%	3.5%	2.4%	2.1%	2%	1.6%	1.2%	1.2%
Rates used in conversion	COP 1,784.50	HTG 40	UGX 2,585	ZAR 7.20	MXN 12.40	IDR 12,484	KES 85	BRL 1.62	PHP 44.44

⁴⁹ Data for this table originates from Bold et al (2011) and Zimmerman et al (2013).

⁵⁰ Electronic payments refer to payments initiated electronically by PSP to pay recipient via debit card or mobile money by depositing money into an account accessible to the recipients. The accounts may have limitations around the length of time funds may be stored, the infrastructure at which recipients may withdraw the funds or whether recipients may use the account for additional financial activity.

Annex 5: Meeting List

Name	Organization
Leonardo Reynoso	National Program Manager, Pantawid Pamilya, DSWD
Antonette Duero	Finance Team, Pantawid Pamilya, DSWD
Judith Medrano	Operations Cluster, Pantawid Pamilya, DSWD
Alnair Espinosa	Operations Cluster, Pantawid Pamilya, DSWD
Praveen Argawal	WFP Philippines
Onoura Daniels	WFP Philippines
Eileen Tufay	WFP Philippines
Samir Wanmali	WFP Asia
Nichola Peach	WFP Asia
Blake Audsley	WFP Asia
Conrado Galsim	Land Bank of The Philippines
Clarice Cruz	Smart Money
Pia Roman	Central Bank of the Philippines
Mamerto Tagonan	USAID/SIMM
Anatoly Gusto	Mercy Corps, Philippines
Leesa Shrader	Independent Consultant

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