Department of Social Welfare and Development PANTAWID PAMILYANG PILIPINO PROGRAM NATIONAL ADVISORY COMMITTEE (NAC)

NAC Resolution No. 18 Series of 2014

1

Amendment to NAC Resolution 12

Continued Provision of Health Grant for Pantawid Pamilya Beneficiaries Having more than 5 years of Tenure in the Program

WHEREAS, Administrative Order No. 16, series of 2008, entitled Guidelines on the Implementation of Pantawid Pamilyang Pilipino Program (4Ps), provides cash grant to extreme poor households to address their immediate consumption needs, while the conditionalities are focused on building human capital and thus break the intergenerational cycle of poverty;

WHEREAS, the *Pantawid Pamilya* National Advisory Committee (NAC) is the highest policy-making inter-agency body that provides policy directions and guidance on matters pertinent to program implementation;

WHEREAS, as part of its role of higher level policy coordination and ensuring effective and efficient program implementation, the NAC deliberated to extend the program coverage of the Pantawid Pamilyang Pilipino Program based on the following justifications:

- Pantawid Pamilya promotes human capital accumulation by incentivizing staying in school.
 The accumulation of human capital is necessary to break the transmission of
 intergenerational poverty and to make growth more inclusive. The Pantawid Pamilya
 incentivizes school enrolment and consistent attendance by supplementing the household
 income to cover for the direct and indirect costs of schooling.
- Pantawid Pamilya currently provides education grants covering children age 3-14 at the start of the school year, and has been demonstrated to be effective in promoting enrolment in children in this age range and keeping them in school. However, analysis also demonstrates that Pantawid Pamilya is not able to increase enrolment among children older than this age range. The combination of a sizeable (roughly 4-10 percentage point) increase in enrolment at ages 3-14 that disappears at ages above the current Pantawid Pamilya cut-off of age 14 has been demonstrated via both the 1st Wave Impact Evaluation of the Program reported in (Chaudhury, Friedman, & Onishi, 2013) as well as complementary analysis of an independent dataset, the 2011 Annual Poverty Indicator Survey (APIS), as reported in Paqueo, Orbeta, Castaneda, & Spohr (2013). Dropout of Pantawid Pamilya child beneficiaries just above the current age 14 cut-off of the program's educational grant represents a loss to the government's education and longer-term poverty reduction objectives and also to households, since a child who fails to complete high school is likely to earn much lower income as an adult.

- The average daily wage of an elementary school graduate is roughly 10% higher compared to the wage of an elementary school undergraduate. Meanwhile, the average daily wage of a high school graduate is, on average, 40% higher compared to the wage of an elementary school graduate (Reyes and Tabuga, 2013). In addition, poverty incidence among households headed by a high school graduate is remarkably lower compared to households headed by an elementary school graduate (Okamura, 2013).
- Values formation, through the Family Development Sessions (FDS), is an important mechanism to build social capital among beneficiaries. FDS is a vehicle to develop both the parent's valuation of and children's interest in school.
- Other Conditional Cash Transfer (CCT) programs have had positive impacts on the education of older aged children. Mexico's Oportunidades increased high school enrolment in rural areas by as much as 85 percent after only a few years of program implementation (Rodriguez-Orregia, 2012) Colombia's Familias en Accion increased enrolment for children aged 12-17 (Attanasio, 2010). The CCT program in Bangladesh raised enrollment of girls aged 11-18 year old. Lastly, the Japan Fund for Poverty Reduction initiative in Cambodia raised girls' enrolment and attendance in secondary school (JFPR, 2006).
- Finally, NAC considers RA No. 105333: Enhanced Basic Education Act of 2013, which adopts the K-12 curriculum, in resolving the age coverage of the child beneficiaries.

WHEREAS, the NAC Resolution No. 12 provides for the adoption of continued support to children beneficiaries under Pantawid Pamilya by extending its program coverage to go beyond the five-year limit and up to 18 years of age in order for them to finish High School education.

WHEREAS, provision of health grant and linking it to attendance in the Family Development Sessions (FDS) would sustain the health seeking behavior of beneficiaries. In addition, the health grant is a strategy to prevent risks of child labor by requiring children in High School to attend sessions for adolescents which shall be called 'Youth Development Sessions'.

NOW THEREFORE, be it resolved as it is hereby resolved by the members of the NAC to approve, thus approving;

The Amendment of NAC Resolution No. 12 series of 2013 entitled "Continued Support for Children Beneficiaries of the Pantawid Pamilyang Pilipino Program to Finish High School", to read as follows;

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1. Extension of coverage of Pantawid Pamilya

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Continued support for children beneficiaries until they finish high school shall have the following provisions:

- a. To go beyond the five-year limit to cover up to high school education;
- b. To extend the coverage up to 18 years of age (taking into account the K-12 program);

- c. To provide higher education grant amount of P500 for children in high school;
- d. To continue providing health grant amounting to P500 per household; and
- e. To maintain the limit of three (3) children beneficiaries per household.

x x x "

Adopted this 25th day of April, Two Thousand and Fourteen, in Quezon City.

CORAZON JULIANO-SOLIMAN

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