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Timeline

2023

Study Status

Results

Study Type

Other

Technical Assistance to Digitize Cash Transfers in the Philippines



Quezon City, Workshop participants from DSWD's Program Management Bureau, Disaster Risk Management Bureau, Finance and Management Service, Resource Generation and Management Office, PARTICIPANTS WITH DSWD Assistant Secretary for Policy and Plans Gary R. Politico

IPA Philippines and the Financial Inclusion Program provided technical support to the Philippines Department of Social Welfare and Development on leveraging data

for program design and decision-making for digitizing cash transfers.

Social assistance programs provide recipients with critical services such as regular payments to sustain their livelihood, but they traditionally contend with high administrative costs, challenges in targeting recipients, and delivery delays. Evidence suggests that digitizing accounts can overcome these constraints and in turn increasing trust in the financial system.¹

In the Philippines, the Department of Social Welfare and Development (DSWD) is expanding the digitization of their cash transfer programs. Results from a previous IPA study with DSWD and the World Bank showed high satisfaction among recipients of the Social Amelioration Program, an emergency cash assistance program during COVID-19. Another study found that recipients with digital accounts received payments faster than those who received them manually.²

Over several months, IPA Philippines and the Financial Inclusion Program provided DSWD technical support and evidence on what works to inform the delivery of benefits for the Social Pension for Indigent Senior Citizens (SocPen) and Emergency Cash Transfer (ECT) programs. IPA developed an evidence review brief on different payment modalities for social assistance payments, monitoring and data collection tools for SocPen implementation, and an interview guide for DSWD to gather feedback from field staff about transitioning to new payment methods. In February 2023, IPA led a three-day workshop for DSWD staff to co-create research plans on these programs.

In the future, IPA plans to roll out a successful, data-driven digital cash transfer payments pilot.

Sources

1. Bird, Nicolo, and Emine Hanedar. "Expanding and Improving Social Safety Nets Through Digitalization: Conceptual Framework and Review of Country Experiences." IMF Notes 2023, no. 007 (2023)
2. Cho, Yoonyoung, Jorge Avalos, Yasuhiro Kawasoe, Doug Johnson, and Ruth Rodriguez. "Mitigating the Impact of COVID-19 on the Welfare of Low-Income Households in the Philippines: The Role of Social Protection." COVID-19 Low Income HOPE Survey Note 1 (2021).

Partner



Department of Social Welfare and Development