



## World Bank (WB) Spearheads....

# Experts cite benefits of conditional cash transfer program for the poor

MANILA (PNA) Dec. 5 (PinoyGlobal) – Experts on Thursday highlighted during a discussion-forum the benefits of the *conditional cash transfer (CCT)* program, touted as one of the best ways to cushion the impact of higher food and fuel prices on the poor.

The *World Bank (WB)*, which spearheaded the event at the *Asian Institute of Management (AIM)*, said a well-targeted social safety net program like CCT could help reduce poverty through improvements of the poor families' health, nutritional, and educational status.

WB Country Director for the Philippines **Bert Hofman** said the program has become very popular in Latin America as well as other parts of the globe due to its direct positive impact since the program provides immediate relief to the needy.

Relatively, **Margaret Grosh**, lead economist of the Bank's Social Protection Unit, said the program "helps households manage risk. At the minimum, safety net programs help households facing hard times avoid irreversible losses, allowing them to maintain household assets from which they earn their living, and to adequately nourish and school their children," she said.

In the country, the CCT program is being implemented by the *Department of Social Welfare and Development (DSWD)* since January this year. Around 6,000 families from pilot areas namely Agusan del Sur, Misamis Occidental, Pasay and Caloocan are covered by the program.

The beneficiaries are provided P500 a month for health and nutrition expenses and P300 a month per qualified child, for a maximum of three kids, for educational expenses. DSWD Secretary **Esperanza Cabral** clarified that the program is a "development program that invests in people (and) is not a dole-out."

She explained that the program, dubbed as *Pantawid Pamilyang Pilipino (PPP)*, "enhances the

role of parents and helps them accomplish their duties and responsibilities to their children."

She said the beneficiaries were selected "through computerized "proxy means test" that ranks poor households based on their household characteristics. The program encourages them to invest in the future, in particular in the health and education of their children and in the nutrition and food for their families," Cabral said, adding that the department targets to cover 320,000 households nationwide by year-end.

Cabral said initial results show improved use of educational and health services among the poor, which in turn, helped local governments meet their social services targets. This, she said, was achieved since the beneficiaries' children are required to stay in schools and have regular check ups at health centers while pregnant women were required to complete their pre and post-natal check ups and are assisted by skilled birth attendant during childbirth.

Also, WB chief economist for the Human Development Network **Ariel Fiszbein** said CCT has reduced the number of people living below the poverty line in Nicaragua by 4.3 percentage points, Colombia by 2.9 percentage points and Mexico by 1.3 percentage points.

"The twin goals for CCT are immediate income support for poor households enabling them to deal with shocks, such as the current economic and price shocks, as well as long-run poverty reduction through improvements in poor children's human capital – health, nutrition and education," he said.

WB said CCT is a major poverty alleviation program in Mexico, Brazil and Ecuador, with each respective government spending 0.5 percent of their economy's gross domestic product (GDP) for the program. *PNA released 12/4/2008*