

AGENCY BUDGET NOTES

For FY 2023



DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT



P196.78B
TOTAL NEW APPROPRIATIONS FOR 2023








COST STRUCTURE

P1.52B (0.8%)
General Admin and Support






P1.88B (1.0%)
Support to Operations

P193.37B (98.3%)
Operations

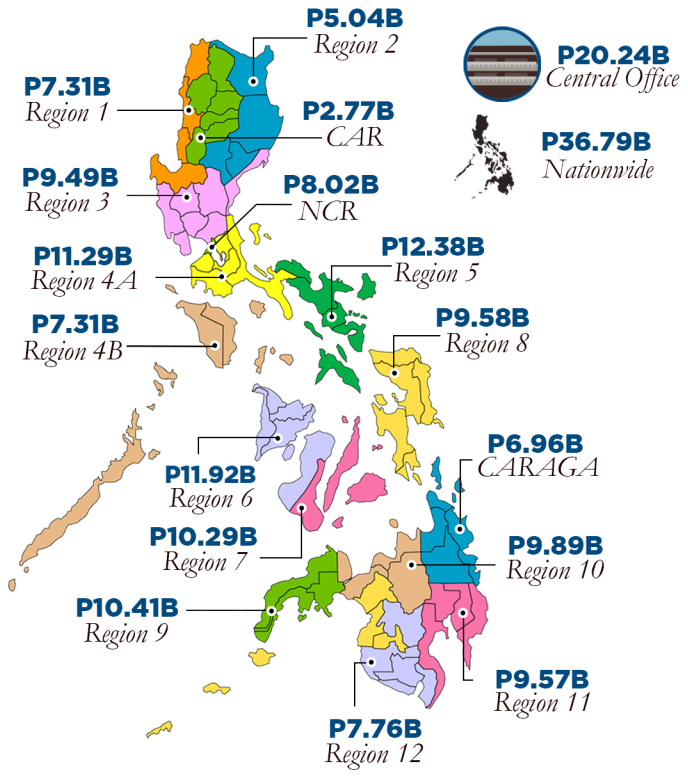
ALLOCATION BY AGENCY

OSEC P194,626.3M (98.9%)	 NCIP P1,392.6M (0.7%)	 NAPC P238.3M (0.1%)	 PCUP P183.5M (0.1%)
 JJWC P114.4M (0.1%)	 NCCA P80.3M (0.0%)	 CWC P76.9M (0.0%)	 NACC P63.1M (0.0%)

BREAKDOWN OF OPERATIONS BUDGET

	P133,996.6M (69.3%) <i>Promotive Social Welfare Program</i>
	P52,611.3M (27.2%) <i>Protective Social Welfare Program</i>
	P4,215.9M (2.2%) <i>Disaster Response and Management Program</i>
	P1,215.8M (0.6%) <i>Social Welfare and Development Technical Assistance and Resource Augmentation Program</i>
	P390.8M (0.2%) <i>Human, Socio-economic and Ecology Development and Protection Program</i>
<i>Other Programs</i>	P943.9M (0.5%)

REGIONAL ALLOCATION OF THE 2023 EXPENDITURE PROGRAM (P197.03B)

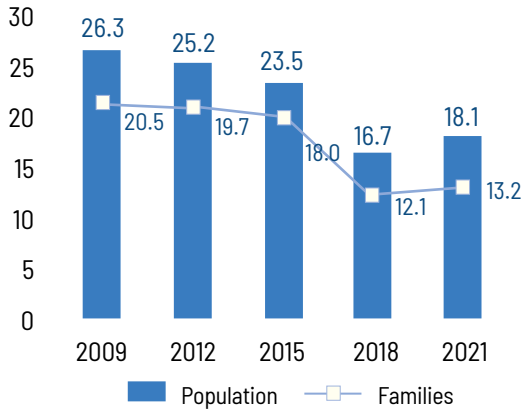


QUICK FACTS

OFFICIAL POVERTY STATISTICS

Full Year Poverty Incidence among Family and Population, 2009, 2012, 2015, 2018, 2021

(in Percentage)



Source: PSA Updated Full Year Poverty Statistics (2018, 2021 Preliminary)

Poverty and Food Threshold for a Family of Five 2015, 2018, 2021

in Philippine Pesos

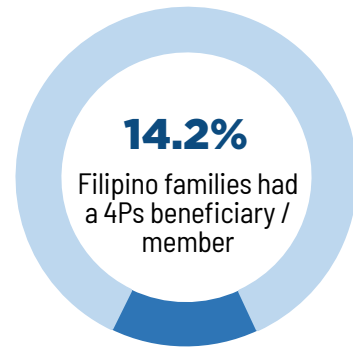
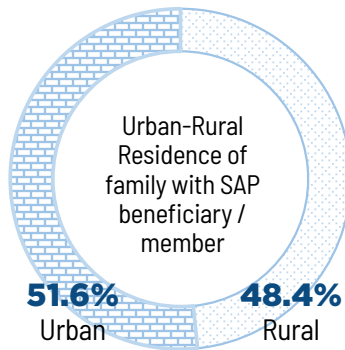
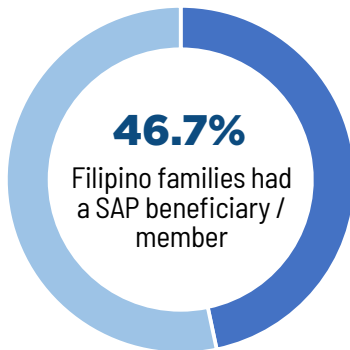
Year	Poverty Threshold		Food Threshold	
	Monthly	Daily*	Monthly	Daily*
2015	9,478	312	6,620	218
2018	10,756	354	7,553	248
2021	12,030	396	8,379	276

Poverty threshold refers to the average family income needed to meet the minimum basic food and non-food needs of a family with five members. Food threshold is the minimum income/expenditure required for a family to meet the basic food needs. Figures for daily thresholds computed at 30.4 days per month.

Poverty Rate Target 9% by 2028
Among Population

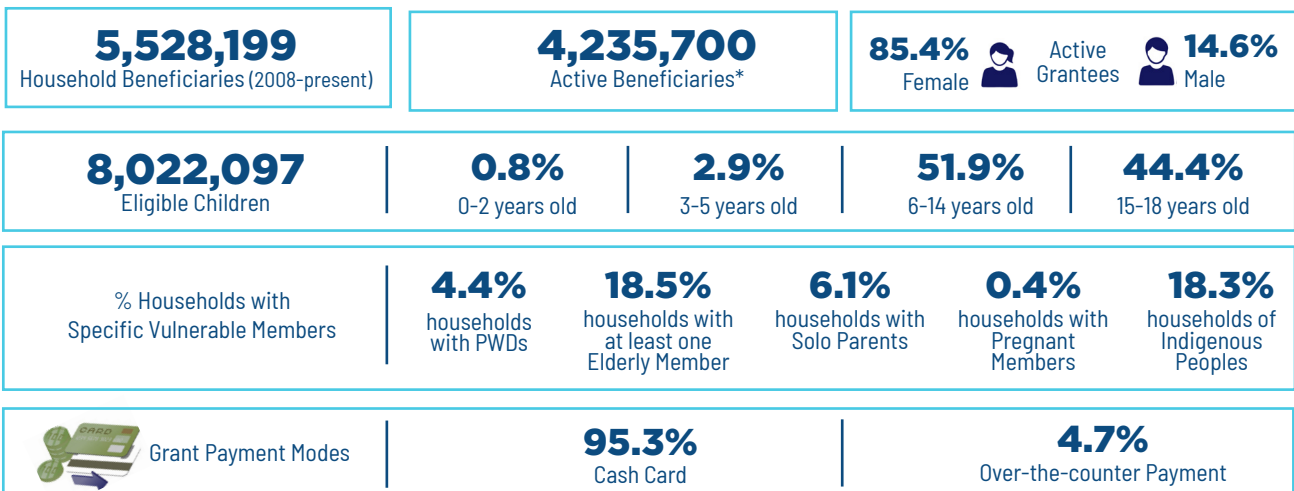
Source: SONA 2022

RELIEF ASSISTANCE DURING THE PANDEMIC (JANUARY – JUNE 2020)



Source: PSA 2020 Annual Poverty Indicators Survey (updated July 2021)

PROFILE OF PANTAWID PAMILYANG PILIPINO PROGRAM (4PS) BENEFICIARIES



* Non-active beneficiaries (23.4%) are composed of households who no longer have eligible members (11.2%), non-eligible for various reasons like fraud, duplicates, waived, and income above poverty threshold (2.8%), and those on-hold pending updates or resolution of grievances (9.3%).

Source: DSWD Quarterly Report on 4Ps, First Quarter 2022

HIGHLIGHTS

- ❑ *Expenditure Program.* The DSWD will have total appropriations of P197.03 billion in 2023, of which P196.78 billion (99.9%) will come from new appropriations and P254.5 million from automatic appropriations. This accounts for about 9.5% of the P2.071 trillion budget for social services. This is lower than the 2022 level of P221.28 billion available appropriations even after being pared down to P205 billion due to unused appropriations of P16.28 billion. (*Table 1*)

The OSEC is allotted P194.78 billion (98.9%) of the total DSWD 2022 appropriations (*Table 2*). Except for the NACC and NCDA with corresponding allotment increases of 13.1% and 10.3%, the funding of OSEC and the other agencies under DSWD have been reduced in the 2023 proposed budget.

The expenditure for Maintenance and Other Operating Expenses will receive the highest share of the 2023 DSWD budget at 93.2% or P183.58 billion (*Table 3*). The allocations for Personal Services and Capital Outlay are P11.76 billion, and P1.69 billion, respectively. There were no allocations for Financial Expenses.

- ❑ *Budgetary Adjustments.* The bulk of the P6.64 billion budgetary adjustments in 2021 are accounted by transfers from both NDRRMC (Calamity Fund) and Unprogrammed Appropriation Support to Foreign-Assisted Projects under the OSEC (*Table 1*).
- ❑ *Staffing.* The total unfilled positions numbering 714 in 2023 for all agencies of the DSWD as a whole will remain similar to their 2022 levels, thereby registering the same rate of 13.0% in unfilled positions to total authorized positions (*Table 4*).

As the transition to full devolution brought about by the Mandanas-Garcia ruling proceeds, declines in the number of DSWD personnel is somehow expected but will not be apparent in the number of authorized positions since, except for a minority, most of the affected personnel hold temporary job designations. Based on 2021 estimates, about 4,127 DSWD personnel will be affected by the full devolution.

- ❑ *Regional Allocation.* The combined proposed budget for the Central Office (P20.24 billion) and the Nationwide budget (P36.79 billion), constitutes 29.0% of the total DSWD budget in 2023 (*Table 5*). These are lower than the 2022 programmed amount by 23.5% (Nationwide) and 11.4% (Central Office). Also receiving lower allocations are NCR having received a reduction of P1.76 billion (18%) and CAR with a reduction of P97 million (3.4%). The rest of the regions will get increases ranging from 0.5% (Region 12) to 11.6% (CARAGA). Region V will receive the highest share among the field offices at 6.3%.
- ❑ *Status of COVID-19 Releases.* The OSEC managed the funds for the COVID-19 initiatives, the biggest of which was for the Social Amelioration Program (SAP) (*Table 6*). As of 31 December 2021, SAP and Protective Services for Individuals and Families in Difficult Circumstances accounted for 96.8% of the P219.45 billion total allotment released. These same programs make a big part of the total obligations and disbursements released, at 97.2% and 97.5% respectively. A rather huge amount of P9.77 billion, or 4.5% of the allotment received, remained unobligated.

- ❑ *New Appropriations.* The proposed new appropriations of the DSWD and its attached agencies will amount to P196.78 billion in 2023. The budget for Operations will receive the biggest chunk at P193.37 billion or 98.3% (Table 7). Appropriations for General Administration and Support (GAS) account for only 0.8%. Only OSEC and NCIP have appropriations for Support to Operations (STO), which will receive 1.0% share of the new appropriations.
- ❑ *Allocation by Major Programs.* The 2023 program allocation is P7.54 billion lower than in 2022. The Promotive Social Welfare Program will increase by P11.76 billion to P134.00 billion, while the Protective Social Welfare Program will decline by P19.11 billion to P52.61 billion (Table 8). The 4Ps Sub-Program, under the Promotive Social Welfare Program was unaffected with its P115.61 billion (Table 8.1), accounting for 59.8% of the program allocations. The Sustainable Livelihood Sub-Program was reduced by P322.8 million to receive P4.86 billion allocation. Under Protective Social Welfare Program, the sub-programs most affected by the reduction in appropriations were for Supplementary Feeding, Social Welfare for Distressed Overseas Filipinos & Trafficked Persons, and the Protective Program for Individuals & Families in especially Difficult Circumstances, where the AICS education assistance for students-in-crisis is lodged.
- ❑ *Budget Utilization and Unused Appropriations.* From 2019 to 2021, the DSWD has registered declining obligations-appropriations ratios—92.6% in 2019, 91.8% in 2020, and 91.3% in 2021. (Table 9). The DSWD posted P11.07 billion total unused appropriations in 2019, which more than doubled to P30.88 billion in 2020, and then declined to P18.63 billion in 2021. The unobligated allotments account for 89.5% (2019), 99.9% (2020), and 100.0% (2021) of the total unused appropriations for the three years.

Overall, the DSWD's 83.4% disbursement rate in 2020 further went down to 82.3% in 2021 (Table 10). Except for the NACC, NAPC, and PCUP, the other DSWD agencies posted declines in their respective disbursement rates between 2020 and 2021. Based on the major programs of the DSWD-OSEC, the Social Welfare and Development Agencies Regulatory Program registered the lowest disbursement rate of 67.4% (Table 11). At the sub-program level, the Social Welfare for Distressed Overseas Filipinos & Trafficked Persons Sub-Program under the Protective Social Welfare Program, and the Quick Response Fund of the Disaster Response and Management Program, had the lowest disbursement rates at 55.2% and 58.6% respectively. The Social Amelioration Program and the Social Pension Sub-Program, had the highest disbursement rates at 94.5% and 97.6%. Among the programs of the attached agencies, the NCDA's Persons with Disability Rights Program had a particularly low disbursement rate at 43.8% even with a high obligation rate of 86.2%.

- ❑ *Performance Indicators.* The OSEC's 2021 performance for its big-ticket programs are mixed. It achieved but also missed some targets, critically for the 4Ps, SFP, and Social Pension but mainly exceeded most of the indicators for SLP, and Residential/Non-Residential Care Sub-Program (Table 12).
- ❑ *Audit Compliance.* The DSWD-OSEC and the NCIP have the most number of audit recommendations left unimplemented at 98, and 58, respectively (Table 13). Translated in terms of implementation rates, the respective figures for these agencies are 67.7% and 58.3%.

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DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT*

I. MANDATE AND ORGANIZATIONAL OUTCOMES

- 1.1. Notwithstanding the COVID-19 pandemic and its lingering impacts, the new administration has targeted a single-digit poverty rate or 9% by 2028.¹ The Department of Social Welfare and Development (DSWD) plays a big role in achieving this goal of reducing poverty incidence by five percentage points in the mid-term, and an additional four percentage points by 2028 from the 18.1% poverty incidence in 2021.²
- 1.2. The Department of Social Welfare and Development (DSWD) is at the forefront of the campaign to end poverty in the Philippines by 2040. It manages a comprehensive program of social welfare and protection services aimed at improving the quality of lives of the vulnerable and disadvantaged sectors of the society. The Department works with other agencies, local governments, and non-government and civil society organizations in designing and implementing programs that cater to the needs of the poor, marginalized, distressed, and calamity-stricken. The DSWD Refreshed Strategy 2028 specifically cited that it will work towards increasing the capacity of LGUs to improve the delivery of social protection and social welfare services; as well as improve the well-being of beneficiaries and 4Ps households through strengthened social welfare system.³
- 1.3. Having its origins from the 1915 Public Welfare Board, succeeding policies and issuances eventually brought forth the development of an integrated welfare program through the creation of the Social Welfare Administration (SWA) in 1951 by virtue of Executive Order No. 396. The SWA was elevated into a department in 1968 through Republic Act No. 5416. An organizational restructuring in 1987 renamed the agency to what it is now known as the DSWD through Executive Order No. 123. In 2003, Executive Order 221 shifted the mandate of the Department from direct service provider to an enabler by providing technical assistance in program delivery.
- 1.4. The Department's efforts are all geared to meet one sector outcome, which is the achievement of universal and transformative social protection. Specifically, the Department outlined these five organizational outcomes: (a) well-being of poor families improved; (b) rights of the poor and vulnerable sectors promoted and protected; (c) immediate relief and early recovery of disaster victims/survivors ensured; (d) continuing

* This document was prepared by Elyzabeth F. Cureg as input to the deliberations of the House Committee on Appropriations on the FY 2023 proposed National Budget. The report benefitted from discussions with and inputs of SPRS Director Rosemarie R. Savali and SERB Executive Director Manuel P. Aquino with the overall guidance of CPBRD Director General Romulo E.M. Miral, Jr., Ph.D and BPRS Director Pamela Diaz-Manalo. The layout/design of the infographics by Carla P. Soriano is acknowledged. The views, perspectives, and interpretations in this ABN do not necessarily reflect the positions of the House of Representatives as an institution or its individual Members. A copy of this publication is available at the CPBRD's website: cpbrd.congress.gov.ph.

¹ SONA (2022).

² PSA 2021 Preliminary Full Year Poverty Statistics press conference.

compliance of Social Welfare and Development Agencies (SWDAs) to standards in the delivery of social welfare services; and (e) ensured delivery of Social Welfare and Development (SWD) programs by LGUs through improved Local Social Welfare and Development Offices (LSWDOs).

1.5. The Department has seven attached agencies and these are their corresponding organizational outcomes:

- ❑ **Council for the Welfare of Children (CWC)** – coordination of government actions for the fulfillment of the rights of the child improved;
- ❑ **National Authority for Child Care (NACC)**, which reorganized the former Inter-Country Adoption Board (ICAB) based on RA 11642 approved on 6 January 2022 – Filipino children in suitable permanent adoptive families abroad protected and secured;
- ❑ **National Council on Disability Affairs (NCDA)** – coordination of government policies, programs and services in the promotion, protection and fulfillment of the rights of persons with disabilities improved;
- ❑ **Juvenile Justice and Welfare Council (JJWC)** – coordination of government actions for the implementation of the juvenile intervention programs and activities improved;
- ❑ **National Anti-Poverty Commission (NAPC)** – people-responsive anti-poverty government policies and programs institutionalized;
- ❑ **National Commission on Indigenous Peoples (NCIP)** – Indigenous Cultural Communities/Indigenous Peoples' (ICCs/IPs) rights ensured;
- ❑ **Presidential Committee for the Urban Poor (PCUP)** – access of the urban poor to asset reform, human development, basic services and other programs enhanced.

The mandate of DSWD to formulate, implement, and coordinate policies and interventions for senior citizens is already being transferred to the National Commission of Senior Citizens (NCSC), which is lodged under the Office of the President. This is pursuant to RA 11350 approved on 25 July 2019.

On the other hand, the RA 11861 or the Expanded Solo Parents Welfare Act is addition to DSWD's mandate. The law provides that low-income solo parents be granted P1,000 monthly cash subsidy as well as enjoy a 10 percent discount on select medicines, and prioritization in low-cost housing, among other benefits. The Implementing Rules has yet to be finalized but a Technical Working Group has already been created and shall finalize the guidelines within 90 days from when the Act has lapsed into law on 04 June 2022.

II. SOURCES OF APPROPRIATIONS

- 2.1 The DSWD will have total obligations amounting to P197.03 billion in 2023, which is the same as total available appropriations since unused appropriations is still non-existent at this point. Total available appropriations of P197.03 billion in 2023 is roughly 9.5% of the P2.071 trillion³ budget for social services, and lower than the 2022 level of P221.28 billion even after being pared down to P205 billion due to unused appropriations of P16.28 billion. (*Table 1*).
- 2.2 Out of the total available appropriations, P196.78 billion (99.9%) will come from new appropriations, which is lower by 3.9% from P204.76 billion in 2022, and P254.5 million (0.1%) from automatic appropriations. New appropriations will require congressional action while automatic appropriations are grants proceeds, retirement and life insurance premiums, and other funds in the special account, which have been authorized by existing legislation and do not require periodic action by Congress.
- 2.3 Unobligated Releases for MOOE make up a huge chunk of the Continuing Appropriations for 2021 and 2022—i.e., P29.74 billion (98.2%) of the P30.29 billion in 2021 and P15.98 billion (98.2%) of the P16.28 billion for the current year, 2022.
- 2.4 The bulk of the P6.64 billion budgetary adjustments in 2021 are accounted by transfers from both NDRRMC (Calamity Fund) and Unprogrammed Appropriation Support to Foreign-Assisted Projects under the OSEC.

TABLE I
SOURCES OF FUNDS, 2021-2023
DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

Particulars	Amounts (In Million Pesos)			Share to Total Appropriations		
	2021	2022	2023	2021	2022	2023
New Appropriations	176,659.8	204,758.7	196,775.4	82.5	92.5	99.9
Automatic Appropriations	435.5	242.8	254.5	0.2	0.1	0.1
Continuing Appropriations	30,290.3	16,277.3	-	14.2	7.4	-
Budgetary Adjustments	6,638.0	-	-	3.1	-	-
Total Available Appropriations	214,023.5	221,278.8	197,029.9	100.0	100.0	100.0
LESS: Unused Appropriations	(18,634.3)	(16,277.3)	-	-	-	-
Total Obligations	195,389.2	205,001.4	197,029.9	91.3	92.6	100.0

Source of basic data: NEP 2023

III. EXPENDITURE PROGRAM

- 3.1 ***Expenditure Program by Agency.*** The OSEC, which has consistently received the highest funding, is allotted P194.78 billion (98.9%) of the total DSWD 2023 appropriations (*Table 2*). The second biggest allocation will go to the NCIP at P1.47 billion (0.7%).

³ *Briefer on the 2023 Proposed National Budget.*

TABLE 2
EXPENDITURE PROGRAM BY AGENCY, 2021-2023

Particulars	Amounts (In Million Pesos)			Share to Total (%)		
	2021	2022	2023	2021	2022	2023
OSEC	193,415.6	202,596.1	194,779.4	99.0	98.8	98.9
CWC	56.0	83.5	79.5	0.0	0.0	0.0
JJWC	102.2	190.7	118.9	0.1	0.1	0.1
NACC*	69.2	57.9	65.5	0.0	0.0	0.0
NAPC	246.9	293.5	243.1	0.1	0.1	0.1
NCDA	97.9	74.9	82.6	0.1	0.0	0.0
NCIP	1,205.0	1,505.4	1,468.8	0.6	0.7	0.7
PCUP	196.5	199.5	192.0	0.1	0.1	0.1
TOTAL (DSWD)	195,389.2	205,001.4	197,029.9	100.00	100.00	100.00

* The former Inter-Country Adoption Board (ICAB).

Source of basic data: BESF 2023

Except for the NACC and NCDA, the funding of the OSEC and the other agencies under DSWD have been reduced in the 2023 proposed budget. Substantial reductions from their 2022 values were proposed for the JJWC (↓37.6%) and NAPC (↓17.2%). The NACC and NCDA, on the other hand will receive allotment increases of 13.1%, and 10.3%, respectively.

3.2 **Expenditure by General Expense Class.** The expenditure for Maintenance and Other Operating Expenses (MOOE) in 2023 will decline by P9.58 billion to P183.58 billion from P193.15 billion in 2022 (Table 3). Nonetheless, it will still receive the highest share of the 2023 DSWD budget at 93.2%. The MOOE for 4Ps alone will require P108.06 billion while that for the social pension for indigent seniors is P25.26 billion.

TABLE 3
EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023
(AMOUNTS IN MILLION PESOS)

Particulars	Amounts (in Million Pesos)			Share to Total (%)		
	2021 Actual	2022 Program	2023 Proposed	2021 Actual	2022 Program	2023 Proposed
PS	10,338.5	10,556.6	11,764.3	5.3	5.1	6.0
MOOE	183,952.3	193,154.6	183,577.3	94.1	94.2	93.2
CO	941.9	901.9	1,688.4	0.5	0.4	0.9
Fin Ex	156.6	388.4	-	0.1	0.2	-
TOTAL (DSWD)	195,389.2	205,001.4	197,029.9	100.0	100.0	100.0

Source of basic data: BESF 2023

The Personal Services (PS) budget of P11.76 billion or 6.0% of total 2023 budget, is slightly higher than the 5.1% share in 2022. Similarly, the expenditure for Capital Outlay (CO) will increase to P1.69 billion in 2023 from P901.9 million in 2022. The biggest expenditure for CO is for the Residential and Non-Residential Care Sub-program worth P1.19 billion. Also, two foreign-assisted projects have small CO provisions: P23.3 million from the loan proceeds of the Beneficiary FIRST project, and P10.86 million as GOP

counterpart for the Philippines Multi-Sectoral Nutrition Project, that was introduced just this year.

3.3 **Staffing.** The total unfilled positions numbering 714 in 2023 for all agencies of the DSWD as a whole will remain similar to their 2022 levels, thereby registering the same rate of 13.0% in unfilled positions to total authorized positions (*Table 4*). Two agencies with already low permanent staff complement have relatively high number of unfilled positions. These are for CWC (27 of 65) and NCDA (30 of 63). Like most government agencies, they thrive with job order/contract-of service/MOA employees. In 2021, CWC hired 39 of such employees while NCDA employed only eight.⁴ This accepted practice may change should the new administration’s rightsizing proposal push through.

Also, as the transition to full devolution⁵ brought about by the *Mandanas-Garcia* ruling proceeds, declines in the number of DSWD personnel is somehow expected. But this will not be apparent in the number of authorized positions. Based on a 2021 DSWD document⁶, the estimated 173 personnel affected by devolution in 2022 will increase to 1,466 by 2023 and 2,488 by 2024 for a total of 4,127 during the period. Except for a minority, most of the affected personnel hold temporary job designations (contractual, MOA, job order).⁷

**TABLE 4
NUMBER OF AUTHORIZED AND UNFILLED POSITIONS BY AGENCY, 2020-2023**

Agency	Authorized Positions				Unfilled Positions			
	2020	2021	2022	2023	2020	2021	2022	2023
OSEC	3,309	3,335	3,321	3,321	381	357	381	381
CWC	39	65	65	65	14	33	27	27
JJWC	76	76	76	76	8	6	2	2
NACC*	33	33	39	39	5	1	2	2
NAPC	50	50	50	50	4	3	6	6
NCDA	63	63	63	63	22	30	30	30
NCIP	1,669	1,680	1,680	1,680	242	231	235	235
PCUP	182	182	182	182	34	38	31	31
TOTAL	5,421	5,484	5,476	5,476	710	699	714	714

* The former Inter-Country Adoption Board (ICAB).

Source: Staffing Summary 2022-2023

The ones affected in 2022 are those involved in the Supplementary Feeding Program, Comprehensive Project for Street Children, and the Recovery and Reintegration Program for Trafficked Persons. In 2023, those engaged in the Sustainable Livelihood Program will be affected and these are mostly temporary hires. In 2024, personnel from

⁴ From the 2021 COA AARs for the two agencies.

⁵ Per EO 138 of 2021. Full Devolution of Certain Functions of the Executive Branch to Local Governments, Creation of a Committee on Devolution and for other Purposes.

⁶ Numbers are as of September 2021. From DSWD (21 Nov 2021). Devolution of Social Welfare Services, Devolution Updates for Senator Drilon.

⁷ Additional details available at Table 4 (Affected DSWD Positions due to Devolution) in Diaz-Manalo, P., M.A. Estrada, and D. Bahyot. (2021).

two programs will be affected: KALAHI-CIDSS, and Assistance to Individuals in Crisis (AICS).

- 3.4 **Regional Allocations.** The combined proposed budget for the Central Office (P20.24 billion) and the Nationwide budget (P36.79 billion), constitutes 29.0% of the total DSWD budget in 2023 (Table 5). These are lower than the 2022 programmed amounts by 23.5% (Nationwide) and 11.4% (Central Office). Also receiving lower allocations in 2023 compared to 2022 are the NCR having received a reduction of P1.76 billion (↓18.0%) and CAR with a reduction of P97.5 million (↓3.4%). The rest of the regions will get increases ranging from 0.5% (Region 12) to 11.6% (CARAGA). As with 2022, Region V will receive the highest share among the field offices at 6.3%.

TABLE 5
REGIONAL DISTRIBUTION OF THE DSWD BUDGET, 2021-2023
(AMOUNTS IN MILLION PESOS)

Region	2021 Actual		2022 Program		2023 Proposed	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Nationwide	-	-	48,113.0	23.5	36,793.4	18.7
Central Office	963.5	0.5	22,854.9	11.1	20,243.0	10.3
NCR	114,756.3	58.7	9,783.3	4.8	8,020.8	4.1
CAR	2,474.5	1.3	2,872.1	1.4	2,774.6	1.4
Region 1	4,587.2	2.3	6,564.0	3.2	7,307.2	3.7
Region 2	4,134.0	2.1	4,837.2	2.4	5,042.1	2.6
Region 3	5,077.0	2.6	8,935.7	4.4	9,487.8	4.8
Region 4A	6,897.2	3.5	10,349.7	5.0	11,293.8	5.7
Region 4B	3,442.9	1.8	6,661.2	3.2	7,310.8	3.7
Region 5	5,387.3	2.8	11,749.2	5.7	12,377.8	6.3
Region 6	9,592.3	4.9	11,061.4	5.4	11,924.3	6.1
Region 7	7,168.7	3.7	9,861.2	4.8	10,291.8	5.2
Region 8	4,697.1	2.4	9,185.8	4.5	9,581.1	4.9
Region 9	4,641.2	2.4	10,067.7	4.9	10,408.4	5.3
Region 10	6,223.8	3.2	8,942.3	4.4	9,888.1	5.0
Region 11	5,676.2	2.9	9,210.8	4.5	9,570.0	4.9
Region 12	5,171.2	2.6	7,716.8	3.8	7,755.9	3.9
CARAGA	4,498.7	2.3	6,235.2	3.0	6,959.0	3.5
BARMM	-	-	-	-	-	-
TOTAL	195,389.2	100.0	205,001.4	100.0	197,029.9	100

Source of basic data: BESF 2023

Note that CARAGA leads the regions in terms of percentage estimates of poverty incidence among population (33.2%) and among families (25.9%), barring BARMM. But as to magnitude of poor families and poor population, Region 7 (Central Visayas) leads with 435,000 and 2.22 million, respectively. It also posted the highest income gap of

P3,341, the average amount required by a poor family from Region 7 to get out of poverty, expressed in relation to its poverty threshold (P13,008 per family per month).⁸

The BARMM usually has no funding or line item allocated to it owing to the Block Grant provision of the Bangsamoro Organic Law that gives the BARMM Government its desired fiscal autonomy. Although the BARMM remains under the general supervision of the President of the Philippines, it has its own sets of agencies, with the Ministry of Social Services and Development as its DSWD counterpart.

IV. SPENDING FOR COVID-19 INITIATIVES

- 4.1 This section presents the status of the releases of the programs DSWD has implemented in response to the COVID-19 pandemic (*Table 6*). Unless presented with notations, fund movements were reported as of 31 December 2021.
- 4.2 The OSEC managed the funds for the COVID-19 initiatives, the biggest of which was for the Social Amelioration Program (SAP). SAP and Protective Services for Individuals and Families in Difficult Circumstances accounted for 96.8% of the P219.45 billion total allotment released. Understandably, these same programs make a big part of the total obligations and disbursements released, at 97.2% and 97.5% respectively.

TABLE 6
STATUS OF COVID-19 RELEASES TO DSWD, AS OF 31 DEC 2021
(AMOUNTS IN MILLION PESOS)

Program/Purpose	Allotment Released	Obligations	Disbursements	Unobligated Allotment
I. Bayanihan 1	212,442.4	204,026.8	198,205.5	8,415.6
Social Amelioration Program / SAP	198,676.0	193,097.7 ^{ab}	190,610.3 ^{ab}	5,578.3
SAP & Protective Services for Individuals & Families in Difficult Circumstances	13,644.5	10,808.22 ^c	7,592.6 ^c	2,836.2
Funding for FY 2020 Quick Response Fund	121.9	120.8 ^d	2.6 ^d	1.1
II. Bayanihan 2	6,000.0	4,736.5	4,718.0	1,263.5
For various COVID-19 response and recovery interventions	6,000.0	4,736.5 ^a	4,718.0 ^a	1,263.5
III. Regular Fund (FY 2020 GAA)	2.9	1.7	0.9	1.3
Additional funding for FY 2020 QRF (NDRRMF)	2.9	1.7 ^e	0.9 ^e	1.3
IV. Regular Fund (FY 2021 GAA)	1,000.0	910.5	367.3	89.5
Additional funding for FY 2021 QRF (NDRRMF)	1,000.0	910.5	367.3	89.5
TOTAL	219,445.3	209,675.4	203,291.8	9,769.9

a/ As of 30 June 2021. Only a small portion for SAP obligations (1,314.16 or 0.68%) and disbursements (872.58 or 0.46%).

b/ As of 30 November 2021, for a majority of the SAP obligations (191,783.5 or 99.32%) and disbursements (189,737.8 or 99.54%).

c/ As of 31 August 2021.

d/ As of 21 December 2020.

e/ Obligations as of 31 December 2020, no report on disbursements yet.

Source: Status of COVID 19 Releases, As of 31 Dec 2021 (DBM website)

- 4.1 Though some figures are based on earlier reporting periods (between 30 June to 20 November 2021), the OSEC has nonetheless obligated P209.68 billion, 97.0% of which

⁸ CPBRD. (2022). *Facts in Figures 2022-51: Regional Poverty Statistics Update*. Data sourced from the 2021 PSA Official Full Year Poverty Statistics (Preliminary).

has been disbursed (P203.29 billion). A rather huge amount of P9.77 billion, or 4.5% of the allotment received, remained unobligated.

V. NEW APPROPRIATIONS

- 5.1. ***New Appropriations by Agency and Cost Structure.*** The proposed new appropriations of the DSWD and its attached agencies will amount to P196.78 billion in 2023. The OSEC, which will receive the bulk or roughly P194.63 billion of the new appropriations, has allotted 98.7% or P192.11 billion for Operations—projects, activities, direct service delivery, or engagement in social welfare regulations. (*Table 7*)

Appropriations for General Administration and Support (GAS), or expenses in relation to overall administration and operational support, of the whole DSWD will account for only 0.8% of the total 2023 allocation. The combined shares of the OSEC (P974.2 million) and the NCIP (P323.3 million), make up 85.5% of the total appropriations for GAS.

Only the OSEC and the NCIP have appropriations for STO (Support to Operations) or for expenditures which relate to staff, technical, and/or other support requirements for the smooth operation of the organization without directly engaging in the production of goods or services. The STO allocation of NCIP is significant at 24.6% or P341.9 million of its P1.39 billion proposed total appropriations. This will be spent for activities relating to policy formulation, planning, and coordination of its programs and projects. The OSEC's STO allocation worth P1.54 billion, on the other hand, will be spent for ICT service management, social marketing, costs related to the national household targeting system for poverty reduction, policy and planning, and to support the management of the Enhanced Partnership Against Hunger and Poverty Program.

**TABLE 7
NEW APPROPRIATIONS BY AGENCY AND COST STRUCTURE, FY 2023**

Agency	Amounts (In Million Pesos)				Share to Total Agency (%)			
	GAS	STO	Operations	Total Agency	GAS	STO	Operations	Total Agency
OSEC	974.2	1,542.2	192,109.9	194,626.3	0.5	0.8	98.7	100.0
CWC	32.6	-	44.3	76.9	42.4	0.0	57.6	100.0
JJWC	29.7	-	84.8	114.4	25.9	0.0	74.1	100.0
NACC*	20.6	-	42.4	63.1	32.7	0.0	67.3	100.0
NAPC	60.4	-	178.0	238.3	25.3	0.0	74.7	100.0
NCDA	13.6	-	66.7	80.3	16.9	0.0	83.1	100.0
NCIP	323.3	341.9	727.5	1,392.6	23.2	24.6	52.2	100.0
PCUP	62.6	-	120.8	183.5	34.1	0.0	65.9	100.0
TOTAL (DSWD)	1,516.9	1,884.1	193,374.3	196,775.4	0.8	1.0	98.3	100.0

* The former Inter-Country Adoption Board (ICAB).

Note: The budget for STO and Operations includes the allocations for Projects which is presented separately in the 2023 NEP

Source of basic data: NEP 2023

Unlike in the previous years, the 2023 NEP for DSWD provided a separate section for Projects, differentiating them from Regular Programs.⁹ There are six locally-funded and three foreign-assisted projects. Only one has an STO provision, P174.0 million for the National Household Targeting System for Poverty Reduction or NHTS-PR (locally-funded). The rest of the appropriations are for Operations totaling to P15.06 billion, which is part and parcel of and constitutes 7.8% of the P193.37 billion Total Agency appropriations for Operations. A big chunk of this (79.0%) amounting to P11.89 billion is for three foreign-assisted projects namely the Additional Financing for Kapit-Bisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services: National Community Driven Development Program (AF KC NCDDP), Beneficiary FIRST (Fast, Innovative and Responsive Service Transformation / Emergency Social Protection Project), and Philippines Multi-Sectoral Nutrition Project.¹⁰

- 5.2. **Program Allocation.** The DSWD and its seven attached agencies have fifteen major programs with total proposed appropriations of P193.37 billion in 2023. This is P7.54 billion or 3.8% lower than the 2022 allocation (*Table 8*). Though eight of the 15 programs registered increases in their 2023 proposed appropriations compared to their 2022 values, the P11.76 billion increase in the OSEC’s Promotive Social Welfare Program was unable to balance the huge drop in another OSEC Program (Protective Social Welfare Program). For this program alone, P19.11 billion was slashed or 26.6% of its 2022 allocation.

The combined allotment increases of the aforementioned 8 programs totals P11.84 billion versus the P19.38 billion cumulative reduction for the other seven programs. In terms of percentage cut, the JJWC suffered the most with 46.9% decrease from its P159.8 million 2022 appropriations. It is concerning that a mere P75 million cut in one of the lowest allotment program-recipients in the Department could speak volumes on the treatment of juveniles in the order of priority concerns in the country.

- 5.3. As in previous years, the bulk or 99.3% of the appropriations for Operations/Programs in 2023 will be implemented by the OSEC. Specifically, the OSEC’s Promotive Social Welfare Program will be allotted P134 billion, a 9.6% hike from its 2022 allocation of P122.24 billion. This program includes the budget for 4Ps (P115.61 billion), and the SLP or Sustainable Livelihood Program (P4.43 billion). These are among the social protection programs highlighted in the 2023 President’s Budget Message.¹¹

The budget for 4Ps will increase by P7.94 billion in 2023 while that for SLP will decline by P322.8 million from its 2022 current expenditure. Interestingly, a PIDS 2020 assessment of the SLP¹² found that though there was a slight increase in the probability

⁹ Per DBM UACS Manual, projects are “special department/agency undertakings carried out within a definite time frame, and are which designed to produce a pre-determined measure of goods or services.” p.32 of the 2014 DBM United Accounts Code Structure (UACS) Manual.

¹⁰ AF KC NCDDP originally started in 2003 as Kalabi-CIDSS with scaling-up efforts beginning 2013; Beneficiary FIRST which was approved in 2020 and shall end in June 2025; and the recent World Bank approved loan for the Philippines Multi-Sectoral Nutrition Project, the closing date for which is June 2026. All three projects are supported by World Bank.

¹¹ Other programs highlighted were the Social Pension, Supplementary Feeding Program, and the ECCD F1K: early childhood care and development in the First 1000 Days under the National Nutrition Council.

¹² Orbeta, AC, Jr, Ballesteros, MM, Reyes, CM, Paqueo, VB and Corpus, JPP. (2020).

TABLE 8
SUMMARY OF PROGRAMS FOR 2021-2023
DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

Program / Implementing Agency		Amount (In Million Pesos)			% Share to Total Program			Growth Rates 22-23 (%)
		2021	2022	2023	2021	2022	2023	
Promotive Social Welfare Program, of which	OSEC	113,285.1	122,236.5	133,996.6	65.35	60.84	69.29	9.6
<i>Pantawid Pamilyang Pilipino Program</i>	OSEC	106,801	107,670	115,610	61.61	62.11	66.69	7.4
<i>Sustainable Livelihood Program</i>	OSEC	4,279	4,753	4,430	2.47	2.74	2.56	(6.8)
Protective Social Welfare Program, of which	OSEC	53,422.1	71,723.1	52,611.3	30.82	35.70	27.21	(26.6)
<i>Supplementary Feeding Sub-Program</i>	OSEC	3,830	4,162	3,700	2.21	2.40	2.13	(11.1)
<i>Social Welfare for Senior Citizens Sub-Program</i>	OSEC	23,594	25,196	25,472	13.61	14.53	14.69	1.1%
<i>Protective Program for Individuals & Families in especially Difficult Circumstances Sub Program (i.e. AICS)</i>	OSEC	23,768	40,082	19,904	13.71	23.12	11.48	(50.3)
<i>Social Welfare for Distressed Overseas Filipinos & Trafficked Persons Sub Program</i>	OSEC	169	174	81	0.10	0.10	0.05	(53.5%)
Disaster Response and Management Program	OSEC	4,315.0	4,293.7	4,215.9	2.49	2.14	2.18	(1.8)
Social Welfare and Development Technical Assistance and Resource Augmentation Program	OSEC	1,081.5	1,158.2	1,215.8	0.62	0.58	0.63	5.0
Human, Socio-economic and Ecology Development and Protection Program	NCIP	319.4	388.1	390.8	0.18	0.19	0.20	0.7
Ancestral Domain/Land Security and Development Program	NCIP	125.3	185.1	194.8	0.07	0.09	0.10	5.3
Social Reform and Poverty Eradication Coordination and Oversight Program	NAPC	190.2	230.9	178.0	0.11	0.11	0.09	(22.9)
Indigenous Peoples Rights Protection Program	NCIP	143.8	195.6	141.8	0.08	0.10	0.07	(27.5)
Urban Poor Coordination and Support Program	PCUP	118.4	123.3	120.8	0.07	0.06	0.06	(2.0)
Juvenile Justice and Welfare Program	JJWC	99.7	159.8	84.8	0.06	0.08	0.04	(46.9)
Social Welfare and Development Agencies Regulatory Program	OSEC	63.4	65.9	70.2	0.04	0.03	0.04	6.5
Persons with Disability Rights Program	NCDA	92.3	60.0	66.7	0.05	0.03	0.03	11.2
Child Rights Coordination Program	CWC	37.4	52.1	44.3	0.02	0.03	0.02	(15.0)
Inter-country Adoption Program	NACC*	44.3	29.6	32.1	0.03	0.01	0.02	8.3
Inter-country Adoption Regulatory Program	NACC*	9.4	10.2	10.3	0.01	0.01	0.01	1.4
TOTAL		173,347.4	200,911.9	193,374.3	100.0	100.0	100.0	(3.8)

*The former Inter-Country Adoption Board (ICAB).

Note: Allocations for programs and total operations are inclusive of locally-funded and foreign-assisted projects.

Source: GAA 2021-2022 and NEP 2023

of the beneficiaries being employed, the SLP basically had null effects on household and wage incomes, thus the absence of any impact on household expenditures for important items like food, education, health. The assessment focused on the program's microenterprise development assistance to poor households (through Seed Capital Fund of P10,000 max per beneficiary).

- 5.4 The significant decrease in the appropriations for the OSEC's Protective Social Welfare Program hugely affected the provisions for its three main sub-programs. Specifically, the P40.08 billion allotment in 2022 for the Protective Program for Individuals & Families in especially Difficult Circumstances Sub-Program will be brought down to P19.9 billion in 2023 or a 50.3% reduction. This sub-program provides for the financial, material and psychosocial needs of Filipinos who became jobless due to the pandemic and are directly in need of financial assistance. Lodged under this Sub-Program is the Assistance to Individuals in Crisis Situations (AICS), the program which offers the educational assistance for students-in-crisis.¹³

Unless there was shift in clientele priorities, it would be worthwhile to know why the DSWD is currently proposing to increase its P500 million budget for educational aid to P1.5 billion¹⁴ given the issues and challenges faced during the aid distribution. Such an increase will affect the other components of the Sub-Program given that the P1.5 billion already takes a 7.5% share of the P19.9 billion Sub-Program allocation. The implementation process merits some questions as well on beneficiary targeting (given the absence of proof of indigency), online registration (making the digital divide more glaring by effectively alienating those who have no email accounts/online access/in remote areas), rejection of walk-ins, and the absorptive capacity of DSWD to continuously manage such a program. The last point raises the principle of subsidiarity and whether it is best for local governments or the DepEd to handle the program given their existing distribution network and the data/ document requirements. This program may likewise be undertaken within the context of the community-based monitoring system (CBMS), which probably has more robust data inputs. The implementation pains also highlight the significance of the national ID system in effectively mitigating emerging issues and concerns.

- 5.5 The Social Welfare for Distressed Overseas Filipinos & Trafficked Persons Sub-Program is also affected by the budget cut in the OSEC's Protective Social Welfare Program. The P174.1 million budget in 2022 was reduced to P80.9 million in 2023, which could partly be attributed to the transfer of the Office of the Social Welfare Attaché (OSWA) under the DSWD to the Department of Migrant Workers.

Another was the Supplementary Feeding Sub-Program (SFP), with its 2023 appropriations expected to decline by 11.1% from P4.16 billion to P3.70 billion. The appropriations for the Philippines Multi-Sectoral Nutrition Project more or less settles

¹³ *Beginning 20 August 2022 and five Saturdays thereafter, DSWD will distribute a one-time P1,000 to P4,000 cash assistance to students-in-crisis who were able to register through walk-in (during the first payout) and online platforms (on succeeding payouts).*

¹⁴ *Montemayor, J. (23 Aug 2022).*

off the reduction, with its P704.1 million appropriations. The SFP was also singled out in the 2023 President’s Budget Message since it addresses the problem of stunting and malnutrition among Filipino children. This three-decades old problem of stunting and malnutrition¹⁵ is further exacerbated by the COVID-19 pandemic.

- 5.6 The Social Welfare for Senior Citizens Sub-Program, or basically the Social Pension (SocPen) provision was not affected. However, the proposed SocPen appropriations has yet to reflect the increase in the monthly stipend to P1,000, as provided in RA 11916 which lapsed into law on 30 July 2022. Concerns were even raised on the possibility of RA 11916 being an unfunded mandate given the huge annual funding requirement, which is at least double the current amount.¹⁶ The administration has three years to transition the funding to the new, higher amount. By that time, the management of SocPen and all the other DSWD interventions for senior citizens would have been already transferred to the National Commission of Senior Citizens (NCSC).¹⁷
- 5.7 ***Pantawid Pamilyang Pilipino Program (4Ps)***. The expenditure program for the 4Ps in 2023 amounts to P115.61 billion, 7.4% higher than the 2022 appropriations. Cash grants (including rice subsidies) represent the bulk of the total budget for 4Ps in the amount of P105.36 billion or 91.1% of the total budget for CCT Components of 4Ps (*Table 8.1*). Unlike in previous years where 4Ps appropriations were itemized, the 2023 NEP only provided information on the amount for cash grants and the total 4Ps allocation.

TABLE 8.1
PANTAWID PAMILYANG PILIPINO PROGRAM
EXPENDITURE PROGRAM FOR CONDITIONAL CASH TRANSFER, FY 2021-2023
(AMOUNTS IN MILLION PESOS)

Particulars	2021	2022	2023
Budget for Conditional Cash Transfer Component of 4Ps	106,800.6	107,669.9	115,610.5
Cash grants including rice subsidy	99,160.9	99,084.7	105,358.9
All other items: Personal Services, Cost of Service, Training, Bank Service Fees, IEC and Advocacy Materials, and printing of Manuals and Booklets, Monitoring and Evaluation/Spot Checks, Administrative Expenses	7,639.63	8,585.22	10,251.63

Source: GAA 2021-2022 and NEP 2023

Unsurprisingly, the 4Ps is the biggest budgeted intervention of the DSWD, accounting for 59.8% of the P193.37 total appropriations for the Department’s 15 programs. First implemented in 2008, the program has so far served 5,528,199 poor households nationwide as of 31 March 2022.¹⁸ Of this total, 12.6% or 698,698 households have graduated from the program for three reasons (waived grants, household income above threshold, no more eligible members).

¹⁵ Mbuya, N.V.N., G. Demombynes, S.F.A. Pişa, and A. J. V. Adona. (2021).

¹⁶ CNN Philippines. 2 Aug 2022. Bill to increase social pension for indigent seniors lapses into law.

¹⁷ The ceremonial signing of the Memorandum of Agreement between DSWD and NCSC regarding the transfer of Programs, Projects, and Activities on senior citizens was held on 29 June 2022, at the DSWD Malasakit Auditorium.

¹⁸ DSWD. (2022). *Quarterly Report on Pantawid Pamilya Implementation (as of 31 March 2022)*.

Using the 4.4 million household targets for 2023 as base, the cash grant appropriations would amount to an average of P23,945.2 per household per year, while the 4Ps total expenditure program on per household basis would be roughly P26,275.1 on the average. This translates to around P1,995.4 to P2,189 per family per month, or just above the lowest income gap amount of P2,025 per month for a family of five in NCR. The monthly income gap for the rest of the regions is higher though, ranging from P2,277 in CAR to P3,341 in Central Visayas, converging at a Philippine average of P2,713.¹⁹

A part of the proposed increase in appropriations for 4Ps will be used for the data validation for Listahanan 3 for an improved beneficiary-targeting system.²⁰ The 2023 Budget Priorities Framework likewise spelled out the need to fast-track the implementation of the Community-Based Monitoring System (CBMS)²¹ and Philippine Identification System Act²² whilst the 2021 NEDA Socio-Economic Report pushes for the interoperability of CBMS, PhilSys, and the Listahanan to address the data constraints in establishing a registry of vulnerable populations. The DSWD must work with the lead agencies in the other database systems to reduce targeting inefficiencies, leakages, under-coverage, and ensure that the maintained registry of vulnerable populations is dynamic.

VI. PERFORMANCE REVIEW

- 6.1 ***Unused Appropriations.*** From 2019 to 2021, the DSWD has registered declining obligations-appropriations ratios—92.6% in 2019, 91.8% in 2020, and 91.3% in 2021. (*Table 9*) Note that per DBM definition, obligations refer to liabilities legally incurred and committed to being paid by the government either immediately or in the future. The continuing shift to cash-based budgeting requires that agencies be able to implement, deliver and pay for PAPs and services only up to the end of the fiscal year.
- 6.2 In 2019, the DSWD posted P11.07 billion total unused appropriations which more than doubled to P30.88 billion in 2020. For 2021, it declined to P18.63 billion. These consisted mostly of unobligated allotments, and some unreleased appropriations. The unobligated allotments accounted for 89.5% (2019), 99.9% (2020), and 100.0% (2021) of the total unused appropriations for the three years.

Note that unreleased appropriations are funds still held by the DBM while unobligated allotments are appropriations already downloaded to the agencies for which obligation requests needed to be made. The huge unobligated allotments (P30.86 billion in 2020; P18.63 billion in 2021) are an indication of bottlenecks in the procurement process which affect the ability of the agency to submit the required documents of the DBM (such as the Obligation Request). It also translates to lost opportunity for more productive use of

¹⁹ *Income gap measures the average amount of income required by the poor in order to get out of poverty expressed in relation to the poverty thresholds. Figures mentioned in the discussion are per month for a family of five. More details are available at CPBRD. (2022). Facts in Figures 2022-51: Regional Poverty Statistics Update. Data sourced from the 2021 PSA Official Full Year Poverty Statistics (Preliminary).*

²⁰ *2023 President's Budget Message.*

²¹ *Provided for by RA 11315.*

²² *Provided for by RA 11055.*

limited resources, which will have to be reverted to the General Fund at the end of the validity of the appropriations.

Worse, such huge unused amounts would mean unserved number of beneficiaries, who may have been in dire straits. The P30 billion will already be able to cover an additional 1.14 million 4Ps families at an average of P26,275.11 per household per year. (See Section 5.7 at page 12) Further, it behooves the reader of the DSWD's appropriations to ask why the allotment for juvenile welfare would have to suffer a measly P75 million cut in 2023 when tens of billions remain unobligated and unspent.

- 6.3 The OSEC tallied much of the unused appropriations for the three years. In 2019 however, the JJWC registered P1.08 billion in unused appropriation, bringing down its obligation-appropriations ratio to only 8.2%. The unused amount can be traced to the unobligated appropriations for the construction of additional *Babay Pag-asa* centers, the caring and rehabilitation facilities for children in conflict with the law. Further, it is critical not only to know the state of fund utilization *per se* but more importantly to address gaps and bottlenecks thereto more so for the sake of the intended beneficiaries.

TABLE 9
OBLIGATIONS-APPROPRIATIONS RATIO
AND UNUSED APPROPRIATIONS, 2019-2021

Particulars	Obligation-Appropriations Ratio (%)			Unused Appropriations (In Million Pesos)		
	2019	2020	2021	2019	2020	2021
OSEC	93.3	91.8	91.3	9,867.2	30,739.4	18,463.5
CWC	69.8	83.7	66.4	30.6	9.9	28.3
JJWC	8.2	93.4	76.1	1,082.5	6.3	32.1
NACC*	92.0	73.5	85.7	4.7	16.0	11.6
NAPC	83.8	83.7	88.0	49.2	41.8	33.6
NCDA	82.4	76.1	87.9	11.2	13.5	13.4
NCIP	99.5	98.4	98.0	5.5	17.3	25.1
PCUP	92.7	81.9	88.0	14.5	34.2	26.7
TOTAL (DSWD)	92.6	91.8	91.3	11,065.3	30,878.4	18,634.3

*The former Inter-Country Adoption Board (ICAB).
Sources of basic data: NEP 2021-2023

- 6.4 **Budget Utilization.** The disbursement rate or the ratio of the disbursements to obligations can depict the level of efficiency of the agency in spending its budget. Overall, the DSWD's 83.4% disbursement rate in 2020 further went down to 82.3% in 2021 (Table 10).
- 6.5 Except for the NACC, NAPC, and PCUP, the other DSWD agencies posted declines in their respective disbursement rates between 2020 and 2021. The NCDA had the lowest disbursement rates for the two periods at 71.8% and 51.2%. The CWC's disbursement rate in 2021 is also low at 60.9%, further reduction from its 76.7% disbursement rate the previous year. Another agency which performed poorly in 2021 is JJWC with 70.5% disbursement rate in 2021 from 87.6% in 2020.

TABLE 10
DISBURSEMENT RATE BY AGENCY, 2020-2021
(AMOUNTS IN MILLION PESOS)

Particulars	2020			2021		
	Appropriations	Disbursements	Disbursement Rate (%)	Appropriations	Disbursements	Disbursement Rate (%) ^{a/}
OSEC	376,361.7	313,643.5	83.3	211,879.1	174,343.2	82.3
CWC	60.8	46.6	76.7	84.3	51.3	60.9
JJWC	95.8	83.9	87.6	134.4	94.8	70.5
NACC*	60.4	43.9	72.8	80.8	65.7	81.3
NAPC	256.9	207.1	80.6	280.5	236.9	84.5
NCDA	56.7	40.7	71.8	111.3	56.9	51.2
NCIP	1,053.5	1,017.6	96.6	1,230.1	1,171.5	95.2
PCUP	188.7	145.2	77.0	223.3	188.4	84.4
TOTAL DSWD	378,134.4	315,228.5	83.4	214,023.5	176,208.7	82.3

*The former Inter-Country Adoption Board (ICAB).

a/ Disbursement rate – ratio of disbursements to appropriations

Source: SAAODB 2020-2021, DBM

6.6 Based on the major programs of the DSWD-OSEC, the Social Welfare and Development Agencies Regulatory Program registered the lowest disbursement rate of 67.4% (Table 11). This program deals primarily with standards-setting, licensing, accreditation and monitoring services, and is therefore critical for the smooth transition to full devolution of social protection services.

6.7 At the sub-program level, the Social Welfare for Distressed Overseas Filipinos & Trafficked Persons Sub-Program under the Protective Social Welfare Program, and the Quick Response Fund (QRF) of the Disaster Response and Management Program, had the lowest disbursement rates at 55.2% and 58.6% respectively.

Note that the QRF serves as stand-by fund to be used for rehabilitation and relief programs.²³ For example, before the start of the typhoon season, DSWD sees to it that it is able to preposition family food packs and other necessities in strategic locations, to be able to quickly accommodate requests for assistance from affected communities once disaster strikes.²⁴ In the last quarter of 2021 for example, two typhoons landed in the country – Odette and Maring. Super Typhoon Odette alone affected the lives of 19.24 million Filipinos and damaging nearly 1.7 million houses in the central and southern parts of the country.²⁵

²³ This includes the prepositioning of goods and equipment, so that the situation and living conditions of people in communities/ areas affected by natural or human-induced calamities, epidemics, crises and catastrophes occurring in the last quarter of the immediately preceding year and those occurring during the current year, may be normalized as quickly as possible. In no case will the QRF be used for pre-disaster activities, such as conduct of training, insurance or assets, and public information and education activities.

²⁴ Governed by DSWD Administrative Order 02 of 2021 (Omnibus Guidelines on FNI and Logistics Management for Disaster Response Operations. See www.dswd.gov.ph/issuances/AOs/AO_2021-002.pdf. Specifically on the prepositioning of food and non-food items: FNI inventory must be maintained at 100% stockpile. Seventy-five percent inventory level warrants replenishment. Level of stockpile shall be determined on a Memorandum that will be issued by the Office of the Undersecretary for Disaster Response Management Group.

²⁵ [Reliefweb.int. https://reliefweb.int/report/philippines/philippines-super-typhoon-rai-odette-humanitarian-needs-and-priorities-revision](https://reliefweb.int/report/philippines/philippines-super-typhoon-rai-odette-humanitarian-needs-and-priorities-revision)

TABLE II
BUDGET UTILIZATION BY MAJOR PROGRAM, 2021
AMOUNTS IN MILLION PESOS

Program	Appropriations	Obligations	Disbursements	Obligation Rate (%) ^{a/}	Disbursement Rate (%) ^{b/}
DSWD-OSEC					
Promotive Social Welfare Program, of which	123,939.07	112,177.3	101,433.5	90.5	81.8
<i>Pantawid Pamilyang Pilipino Program</i>	115,748.28	105,829.6	96,178.4	91.4	83.1
<i>Sustainable Livelihood Program</i>	5,539.40	5,208.5	4,506.4	94.0	81.4
Protective Social Welfare Program, of which	62,078.11	58,217.7	53,938.8	93.8	86.9
<i>Supplementary Feeding Sub-Program</i>	3,983.37	3,898.3	3,345.4	97.9	84.0
<i>Social Welfare for Senior Citizens Sub-Program</i>	23,789.70	23,559.4	23,227.7	99.0	97.6
<i>Protective Program for Individuals & Families in especially Difficult Circumstances Sub Program</i>	31,841.56	28,518.8	25,515.7	89.6	80.1
<i>Social Welfare for Distressed Overseas Filipinos & Trafficked Persons Sub Program</i>	202.28	130.5	111.6	64.5	55.2
Disaster Response and Management Program, of which	4,583.70	4,297.4	4,007.9	93.8	87.4
<i>Quick Response Fund</i>	3,524.40	3,369.6	2,065.1	95.6	58.6
Social Amelioration Program	7,340.84	7,175.3	6,934.8	97.7	94.5
Social Welfare and Development Agencies Regulatory Program	77.65	64.9	52.3	83.6	67.4
Social Welfare and Development Technical Assistance and Resource Augmentation Program	1,116.09	1,079.5	1,024.8	96.7	91.8
ATTACHED AGENCIES					
Child Rights Coordination Program	37.39	29.3	27.4	78.3	73.2
Inter-country Adoption Regulatory Program	17.47	11.6	11.6	66.7	66.7
Inter-country Adoption Program	49.51	39.4	35.9	79.7	72.6
Persons with Disability Rights Program	92.24	79.5	40.4	86.2	43.8
Juvenile Justice and Welfare Program	103.53	71.7	64.6	69.3	62.4
Social Reform and Poverty Eradication Coordination and Oversight Program	203.64	174.5	166.9	85.7	82.0
Ancestral Domain/Land Security and Development Program	138.87	134.4	130.7	96.7	94.2
Human, Socio-economic and Ecology Development and Protection Program	335.02	330.3	321.8	98.6	96.1
Indigenous Peoples Rights Protection Program	154.44	150.8	148.4	97.6	96.1
Urban Poor Coordination and Support Program	118.54	113.1	109.3	95.5	92.2

a/ Obligation rate – ratio of obligations to appropriations

b/ Disbursement rate – ratio of disbursements to appropriations

Source: SAAODB 2021 (FAR No. 1 in Transparency Seal)

The Social Amelioration Program, introduced in 2020 in response to the COVID-19 pandemic, and the Social Pension Sub-Program, had the highest disbursement rates at 94.5% and 97.6% accordingly.

6.8 Among the programs of the attached agencies, the NCDA's Persons with Disability Rights Program had a particularly low disbursement rate (43.8%) even with a high

obligation rate of 86.2%. The next two programs with low disbursement rates are the JJWC's Juvenile Justice and Welfare Program (62.4) and NACC's Inter-country Adoption Regulatory Program (66.7). For JJWC, P71.7 million was obligated out of its P103.5 million appropriation. For NACC's program only P11.6 million of its P17.5 million appropriation was obligated.

The NCIP and its three highly budgeted programs in comparison to the rest of the six agencies, utilized their funds efficiently with consistently high obligation and disbursement rates. Specifically, these are for the Ancestral Domain/Land Security and Development Program, Human, Socio-economic and Ecology Development and Protection Program, and the Indigenous Peoples Rights Protection Program.

- 6.9 ***Performance Indicators.*** The OSEC's performance for 2021 in its two big-ticket programs are mixed. For the Promotive Social Welfare Program, it failed to meet the 4.4 million 4Ps households target by being short of 27,876 households served. The critical performance is for the outcome indicator – percentage of 4Ps households with improved well-being, echoing the targeted organizational outcome – well-being of poor families improved. The OSEC was only able to deliver assistance to 0.4% of the 2.0% target for survival-level households, and 26.1% instead of 61% of the self-sufficient households. Among subsistence households, it performed way past the 37.0% target, at 73.5%. The OSEC compensated with the 200,862 poor households assisted through the Sustainable Livelihood Program, 64.0% higher than its 2021 target. (*Table 12*)
- 6.10 For the Protective Social Welfare Program, though it performed well in exceeding some of its targets for the Residential and Non-Residential Care Sub-Program, and in all the indicators for the Protective Program for Individuals and Families in especially Difficult Circumstances Sub-Program, it performed poorly on its programs for senior citizens and children. Specifically, it only delivered 73% out of the 80% target percentage of malnourished children in Community Development Centers (CDC) and Supervised Neighborhood Plays (SNP) with improved nutritional status. This is also reflected in the lower number of children in CDCs and SNPs (-13.0%) provided with supplementary feeding. The 2023 target number of children from CDCs and CNPs covered by the Supplementary Feeding Program (SFP) was lowered given the P461.1 million reduction in the 2023 SFP proposed appropriation.

Also, only 87.5% of the 3.79 million senior citizen SocPen recipients have received their stipends within the quarter. Nonetheless, 98.9% of the 1,319 centenarians received their cash gifts.

TABLE 12
PERFORMANCE INDICATORS OF MAJOR PROGRAMS, 2021-2023

Program	2021		2022 Target	2023 Target
	Target	Actual		
Promotive Social Welfare Program				
Outcome Indicator				
Percentage of <i>Pantawid</i> households with improved well-being.	Survival – 2%, Subsistence- 37%, Self- Sufficiency- 61%	Survival 0.42% (13,638) Subsistence 73.48% (2,361,250) Self- Sufficiency 26.09% (838,483)	Survival 2% Subsistence 70% Self- Sufficiency 28%	Survival 2%, Subsistence 70% Self- Sufficiency 28%
Output Indicators				
Number of <i>Pantawid</i> households provided with conditional cash grants	4,400,000	4,372,124	4,400,000	4,400,000
Number of poor households assisted through the Sustainable Livelihood Program	122,489	200,862	153,684	191,028
Number of households that benefited from KALAHI CIDSS-NCDDP or KC-NCDDP Sub-Projects		337,382	2,500,000	2,873,750
Protective Social Welfare Program				
Residential and Non-residential Care Sub-Program				
Outcome Indicator				
Percentage of clients in residential and non-residential care facilities rehabilitated	30%	44.41%	30%	30%
Output Indicators				
Number of clients served in residential and non-residential care facilities	11,733	7,728	11,000	8,782
Percentage of facilities with standard client-staff ratio	70%	82%	70%	70%
Supplementary Feeding Sub- Program				
Outcome Indicator				
Percentage of malnourished children in Community Development Centers (CDC) and Supervised Neighborhood Plays (SNP) with improved nutritional status	80%	73%	80%	80%
Output Indicators				
Number of children in CDCs and SNPs provided with supplementary feeding	1,936,868	1,685,170	1,936,868	1,754,637
Number of children/ lactating mothers served through <i>Bangsamoro Umpungan sa Nutrisyon</i> (BANGUN) Program	15,000 children; 7,000 pregnant and lactating women	17,060 children; 4,940 pregnant and lactating women	15,000 children; 7,000 pregnant and lactating women	18,700 children; 3,300 pregnant and lactating women
Social Welfare for Senior Citizens Sub- Program				
Outcome Indicator				
Percentage of senior citizens using Social Pension to augment their daily living subsistence and medical needs	90%	88.67%	82%	82%
Output Indicators				
Number of senior citizens who received social pension within the quarter	3,789,874	3,317,585	3,835,066	4,085,066
Number of centenarians provided with cash gift	1319	1305	1,281	1,675
Protective Program for Individuals and Families in especially Difficult Circumstances Sub-Program				
Outcome Indicator				
Percentage of clients who rated the services provided as satisfactory or better	95%	98%	95%	95%

Source: NEP 2023

TABLE 12
PERFORMANCE INDICATORS OF MAJOR PROGRAMS, 2021-2023 (CONTINUATION)

Program	2021		2022 Target	2023 Target
	Target	Actual		
Output Indicators				
No. of children served through Alternative Family Care Program	1,693	2,070	1693	1662
No. of beneficiaries served thru Protective Services Program	1,778,073	3,317,585	1,389,339	1,691,869
Number of clients served through the Comprehensive Program for Street Children, Street Families and Badjaus:				
a. Street Children	3,800	4,323	2,815	2,815
b. Street Families	1,700	3,925	1,210	1,210
Social Welfare for Distressed Overseas Filipinos and Trafficked Persons Sub- Program				
Outcome Indicator				
Percentage of assisted individuals who are reintegrated to their families and communities	94%	99%	94%	94%
Output Indicators				
Number of trafficked persons provided with social welfare services	2,000	1,914	2,000	1,292
Number of distressed and undocumented overseas Filipinos provided with social welfare services	29,253	30,802	29,253	4,152
Disaster Response and Management Program				
Outcome Indicator				
Percentage of disaster-affected households assisted to early recovery	100%	100%	100%	100%
Output Indicators				
Number of LGUs/Field Offices with prepositioned goods	100% (16 Field offices)	100% (16 Field offices)	100% (16 Field offices)	100% (16 Field offices)
Number of internally-displaced households provided with disaster response services	as the need arises	66,343	as the need arises	as the need arises
Number of households with damaged houses provided with early recovery services	as the need arises	71,091	as the need arises	as the need arises
Social Welfare and Development Technical Assistance and Resource Augmentation Program				
Outcome Indicator				
Percentage of Provincial/City/Municipal Social Welfare Development Offices with improved functionality	100%	100%	100%	100%
Output Indicators				
Percentage of LGUs provided with Technical Assistance (TA)	85%-100% of LGUs with TA plan	126.64% of LGUs with TA Plan	85%-100% of LGUs with TA plan	85%-100% of LGUs with TA plan
Percentage of LGUs provided with Resource Augmentation (RA)	85%-100% of LGUs under RA plan	104.78% of LGUs under RA Plan	85%-100% of LGUs under RA plan	85%-100% of LGUs under RA plan
NCIP's Human, Socio-Economic and Ecology Development and Protection Program				
Outcome Indicators				
Percentage of livelihood projects funded	60%	61%	25%	49%
Percentage of respondent-beneficiaries who rate the projects implemented as useful	75%	64%	75%	75%
Output Indicators				
Number of projects/activities/Integrated Ancestral Domain Development Approach (IADDA) implemented	231	203	N/A	N/A
Number of programs implemented within the year	N/A	N/A	186	159
Number of programs implemented thru IADDA	N/A	N/A	54	11
Number of IP beneficiaries for the projects	33,160	46,419	32,849	35,530

Source: NEP 2022

VII. COA FINDINGS AND RECOMMENDATIONS

- 7.1 This section contains the significant findings from COA’s 2021 Agency Audit Reports. Based on the tally of the actions taken by the agencies in implementing the 2020 audit recommendations, the DSWD-OSEC and the NCIP have the most number of recommendations left unimplemented at 98, and 58, respectively. Translated in terms of implementation rates, the respective figures for the two agencies are 67.7%, and 58.3%. (Table 13)

Interestingly, the OSEC’s implementation rate is already the highest among the eight offices given the low base for the other agencies. The lowest implementation rates are for JJWC (32.0% or 8 implemented out of 25 recommendations) and NCDA (33.3% or 17 implemented out of 51 recommendations).

TABLE 13
STATUS OF IMPLEMENTATION OF COA RECOMMENDATIONS
(AS OF 31 DECEMBER 2021)

Particulars	Total	Implemented		Not Implemented	
		Number	(%)	Number	(%)
OSEC	303	205	67.7	98	32.3
CWC	33	16	48.5	17	51.5
JJWC	25	8	32.0	17	68.0
NACC	46	21	45.7	25	54.3
NAPC	14	8	57.1	6	42.9
NCDA	51	17	33.3	34	66.7
NCIP	139	81	58.3	58	41.7
PCUP	44	29	65.9	15	34.1

*The former Inter-Country Adoption Board (ICAB).
Source: Annual Audit Reports 2021 (Part 3)

- 7.2 The major COA findings, observations as well as recommendations for the DSWD-OSEC and attached agencies are outlined below.

❑ Office of the Secretary (OSEC)

There are around P1.91 billion **undistributed cash advances for the Social Amelioration Program** in Regions VI and NCR. Majority of this (91.9%) can be traced to NCR, where refunds were attributed to poor planning and monitoring. Payout scheduling was another concern given the LGU coordination issues during the pandemic. In Region VI, cash advances were refunded due to the reliance on a non-validated list of unpaid beneficiaries requested from Starpay, the payout service provider. It was found during the payout that most of the listed beneficiaries were not qualified since they already received assistance or were not even from the region. The Audit report stressed that such a huge amount of unexpended government funds refunded after 2 to 6 months could have been used to aid the poor during the pandemic.

In other regions and in much lower amounts, COA Auditors found **double payments of SAP to 4Ps beneficiaries**, amounting to about P34.6 million for 4,678 beneficiaries in Region VI and 325 in Region II. The Regional Offices already submitted the list of double payment recipients to 4Ps National Office and have recommended to deduct the unreturned amount from the succeeding cash grants of the said recipients. The National Office responded through a Memo on March 2022 that the deductions will commence on Period 1 of 2022 payroll covering the months of February and March 2022

Another related finding is on the **legitimacy of 4Ps beneficiaries**. The Audit Team generated a sample of 686 from the database of 4Ps beneficiaries and found that 373 or 54.37% of these were not included in Listahanan 2. There is obviously a need to update Listahanan 2 and Listahanan 3 findings are scheduled for release before 2022 ends. COA recommended the strict implementation of the policy that selected 4Ps beneficiaries should be sourced from the updated Listahanan names.

In Region XII, roughly P510.62 million worth of **Unconditional Cash Transfer (UCT) cash grants remained undistributed** to 136,918 beneficiaries. Only 9.69% (P54.77 million) UCT cash grants for Listahanan benefits were distributed to 20,134 beneficiaries. Zero distributions were made in Cotabato City and South Cotabato. Percentage completion rates for other provinces are 15.99% Cotabato, 13.86% in Sultan Kudarat, and 2.57% in Sarangani. All in all, 34 municipalities and cities in region XII have not started CY 2020 UCT distributions for Listahanan recipients. Social Pension beneficiaries have yet to receive transfers as well. The operational setbacks identified were the mobility restrictions and challenges in the Landbank account opening and cash card generation and distribution, as well as cleansing of UCT beneficiary list.²⁶

The **implementation of multiple infrastructure projects in NCR** amounting to P271.8 million has been delayed. Inadequate planning, lack of supervision and failure to establish project's technical viability during the preliminary engineering study were among the reasons identified by the Audit Team. Some of the contractors requested for extensions because of the nationwide ECQ impositions in 2020. Still, the delays ranged from 237 to 696 calendar days.

Also in NCR, the **Supplementary Feeding Program-Milk Feeding** in CY 2021 funded with P67.0 million²⁷ was **not implemented**. It was supposed to cater to 21,605 children. The non-implementation was because of two main reasons: (1) the 10th cycle was implemented on April to June 2021 due to ECQ and MECQ impositions and high prevalence of Covid cases among the staff; and (2) the 11th cycle contract was invalid since the amount was beyond the approving/signing

²⁶ UCT is the biggest tax reform mitigation program under the TRAIN Law. It provides cash grants to poor households and individuals who may not benefit from the lower income tax rates but may be adversely affected by rising prices. Qualified beneficiaries receive cash grants of P200 monthly for the first year of implementation, raised to P300 on succeeding years.

²⁷ P19 worth of fresh milk x 120 days.

authority of the National Dairy Authority Administrator (only P50M below), and a new contract was forwarded to NDA for DA Secretary's signature, still unsigned as of Dec 2021.

In Region IV-B, 9,109 indigent senior citizens have **yet to receive their Social Pension** stipends as of 31 December 2021 equivalent to P54.6 million undistributed. Among the explanations provided by the SocPen Focal person were limited staff to conduct validation and pay-out due to unfilled vacant positions; limited bonded officials available to withdraw cash advances; suspension of fund transfers to LGUs during the year; imposition of localized lockdowns in certain LGUs causing cancellation and rescheduling of payout; and incorrect report of delisted senior citizens from LGUs.

Also worth mentioning is the incurrence of an **aggregate commitment fee worth P70.7 million from three loans** (1 from ADB, 2 from IBRD/ World Bank), since the loan proceeds were not availed within the prescribed period stated in the Loan agreements.²⁸ These are for Expanded Social Assistance Project (ADB), Philippines Beneficiary FIRST Social Protection Project; and KC-NCDDP Additional Financing (IBRD/ World Bank). Availment rates from these three projects are 89.72%, 50.25%, and 45.95% respectively. For context, the aggregate commitment fee can already cover the funding requirement for one cycle of the NCR's milk feeding under SFP, or even more than enough to cover the cost of NCDA's Persons with Disability Rights Program. So aside from the non-delivery of benefits and services for targeted populations as outlined in the loans, this amount could have used to augment the funding for DSWD regular programs.

The local news paid much attention to the COA findings on the **management of donations for Typhoon Ulysses**.²⁹ Region II received a total 126,172 in-kind donations from last quarter of CY 2020 until 2021, with 21,824 still on hand including food and non-food items. These donations were therefore not distributed. Donations were for families affected by the massive flooding and destructions brought about by typhoon Ulysses in November 2020. The audit team described the goods as "highly exposed to damage, rotting and expiration." Upon inspection, they found expired milk/chocolate powder sachets and medicines expiring on April 2022. Additionally, the report mentioned that the Operations Section head was not aware of the requirement to submit reports to NDRRMC/RDMMC to document the receipt and release of the donations.

❑ **Council for the Welfare of Children (CWC)**

Various receivable accounts of CWC remained uncollected or dormant from 6 to 17 years, totaling P77.9 million due to **non-liquidation of the fund transfers**

²⁸ CF is a fee charged on a loan's unwithdrawn balance (amount of loan less amounts of withdrawn), charged by foreign lending institutions to ensure utilization of loan proceeds within the approved implementation schedule to avoid delays in the delivery of the project/program's objectives. The commitment fees for these loans are 0.15% on unwithdrawn balance to commence 60 days after date of agreement for the ADB loan; and 0.25% per annum on unwithdrawn balance in the IBRD loans.

²⁹ www.cnnphilippines.com/news/2022/8/15/COA-DSWD-Typhoon-Ulysses-donations.html

and/or non-remittance of unexpended balance, affecting the reliability and accuracy of accounts. Of which, P52.7 million worth Early Childhood Care and Development (ECCD) programs in various provinces granted in 2005 remain fully unliquidated by the LGUs for the past 16 years. Of the remaining P25.1 million, 50.0% were due for liquidation by NGAs also for ECCD Program granted in 2005. For the latter, the remaining balance upon verification was only P186,672.77 but there were no similar movements from those due from LGUs. It was recommended that CWC schedule a meeting with the implementing agencies yet to submit liquidation documents. The meetings were originally scheduled in 2020 but was cancelled due to travel restrictions arising from the pandemic.

Another COA finding was on **low GAD utilization**. Only 0.002% of the total appropriation was expended for GAD PPAs, far below the minimum 5%.

❑ **Inter-Country Adoption Board (ICAB)**

ICAB underwent a total of five procurement activities under competitive bidding for CY 2021 with a total approved budget for the contract of P17.5M, where the total contract cost to be awarded to the winning bidders is P13.3 million. The Audit Team's Review of the documents revealed that some **mandatory procurement processes were not conducted**. This includes the pre-procurement conference, pre-bid conference, and post qualification activity. The non-conduct and non-documentation of these stages casts doubts as to whether the management has observed transparency in its entire procurement undertaking, Management is recommended and has agreed to direct its BAC to guarantee that such processes are duly observed.

Also, ICAB was recommended to **immediately conduct the physical count of Property, Plant and Equipment (PPE)** to ascertain the existence, accuracy and completeness of the PPE account balance, so that the P21.7 million worth PPE accounts as of 31 Dec 2021 is reliably reported and ascertained. Audit Team supposedly made numerous verbal follow-ups for the conduct the annual physical count but failed to elicit a positive action. This is because there were personnel changes in the organization, with the resignation of the previous officer supposedly in-charge of that activity.

❑ **National Council on Disability Affairs (NCDA)**

The amount spent on two of the **activities under the approved GAD Plan and Budget exceeded the approved amount**, totaling to an excess of P634,877.58. Specifically, this comes from the P549,353.60 excess amount spent for the provision of augmentation support services for persons with disabilities/ women with disabilities, as well as the P85,524.08 excess spent for the conduct of the national and international disability observances, event and celebrations. Management is advised to adopt strategies to ensure projects are implemented and budgeted as planned.

❑ **Juvenile Justice and Welfare Council (JJWC)**

The **construction of the Bahay Pag-asa (BPA) was not fully achieved** due to delays in completion of one BPA amounting P5 million, and non-implementation of the establishment of two BPAs in the amount of P20 million as programmed in GAA 2021 due to the non-submission/completion of liquidation reports from the LGU/DPWH on previous fund transfer made.³⁰

In CY 2016 and 2017, JJWC transferred to DPWD a total of P40.1 million of which P38.6M was for the construction of 8 BPAs and P1.5 million for administration costs. Actual construction / improvements commenced at different dates from 2017 to 2019. Based on available public documents and reports, the BPA project in Cebu Province (Brgy Inayagan, Naga, Cebu City) is not yet completed as of 21 Dec 2021. The delay of this BPA completion was due to non-submission of liquidation reports by the LGU to the DPWH, which may have caused the deferral of fund transfer of the remaining P2.5 million for the construction.

Two other BPAs were not implemented in the Province of Davao del Norte, and the City Government of Alaminos, Pangasinan, budgeted with P10 million each. Based on 31 Dec 2021 SAAODB, there were zero obligated amounts. Again, this is due to the non-submission/completion of liquidation reports from DPWH/LGU on previous fund transfers, resulting in the non-implementation of FY 2021 projects. Hence, preparatory work like MOA, Work and Financial Plan (WFP), and meetings were put on hold.

The Audit Team reiterates its prior year's recommendation to make representation with DPWH-Bureau of Construction to fast track the submission of liquidation reports and fully coordinate with them, for completion of the remaining BPAs

❑ **National Anti-Poverty Commission (NAPC)**

Accumulated **accounts payables worth P20.4 million remained unsettled** and outstanding in the NAPC books for two to eight years. This refers to claims for reimbursements of travelling expenses, per diems, professional fees, services rendered, representation expenses and unclaimed checks from 2013 to 2019. Reiterating the COA 2020 AAR recommendations, the 2021 report advised the management to direct the accountant to review the payables and revert to surplus or deficit, after due confirmation and communication with the claimants.

The report likewise raised two main personnel concerns. It first raised the issue of 211 personnel under **Contract of Service (COS)**, and the delegation to them of tasks and functions similar to those undertaken by regular employees. NAPC

³⁰ BPA is a 24-hour child-caring institution established funded and managed by one LGU and 2 DSWD licensed and/or accredited non-government institutions, providing short-term residential care for children in conflict with the law who are above 15 years old but below 18 years old, waiting court dispositions of their cases or transfer to other agencies or jurisdictions.

insisted on the necessity of hiring the COS given that it had no ground personnel in the regions. The Audit Team countered that NAPC should continuously negotiate with DBM for more plantilla positions in recognition of the apparent insufficient staff complement of the agency.

Secondly, it commented on the **hiring of consultants with redundant functions** and are therefore deemed unnecessary. For CY 2021, there were 13 consultants hired – 6 legal consultants, 4 media consultants, 1 financial consultant, 1 GAD/IP consultant, and 1 econ affairs consultant. Based on the review of their tasks, functions and accomplishments, the consultants for finance and media were dispensable since there are already existing units in NAPC for this purpose. The auditor likewise considered unnecessary the GAD/IP consultant, and the econ affairs consultant since these were not aligned with the mandate of the agency. Hiring of unnecessary consultants resulted to the incurrence of an additional expenditure totaling to P3,398,636.36.

Lastly, NAPC allocated only **3.82% for GAD**, which is below the minimum 5% policy. Its GAD plan and budget has nonetheless been certified by the PCW as reviewed and endorsed

❑ **National Commission on Indigenous Peoples (NCIP)**

Cash advances in ten Regional Offices totaling to around P21.5 million remained **unliquidated** as of 2021 yearend. The biggest are from Regions VI/VII (P5.8 million) and Region IV (P4.7 million). About 18% of the Region IV balance has already been liquidated by 2021 yearend.

Acting on the 2020 COA findings regarding the provision of P14 million **commitment by Taganito HPAL Nickel Corp to select Mamanwa communities** in Region XIII, NCIP informed the Audit Team that the said financial assistance has already been released to IPs of CADT 048 through their designated bank account. Identified plans and programs approved by the IPs will be implemented in 1st quarter of 2022, with the assistance of NCIP Surigao del Norte as co-implementor.

❑ **Presidential Committee for the Urban Poor (PCUP)**

The Audit Team found that PCUP was unable deliver its part of the agreement (MOA) with DOTr for the **North-South Rail Project Phase II**, a proposed railway line between Metro Manila and Legaspi City. The project is aimed at providing better transportation and logistics services between the two rapidly-growing urban regions.

Of the P300 million initial fund received by PCUP in March 2018, only 11.31% or P33,935,194.13 was utilized, signifying underperformance of targeted activities. No status report is available to evaluate the extent of the completed activities listed in

the MOA. The amount transferred to PCUP was for the partial implementation of the social preparation activities. The project entails displacement of families living along railways, necessitating relocation of affected families, which therefore involve social preparation. The P300 million is only an initial release of the total P1,000,500,000 in accordance with the MOA's Social Preparation Payment Sched. Given the low utilization rate, the Audit Team concluded that perhaps the Agency may have been incapable of executing its functions per MOA and indicative of low absorptive capacity.

The Audit Team recommended that PCUP evaluate its absorptive capacity or ability to cope with the demand of existing projects and regular mandate. If the agency is determined to be incapable of performing its functions, the idle fund has to be returned to the source agency, in this case DOTr, or to the National Treasury. Otherwise, the MOA signees should draw a new timeline on when the project can be implemented.

**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023
(AMOUNTS IN MILLION PESOS)**

Particulars	2021					2022					2023				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	9,193.1	183,221.2	844.6	156.6	193,415.6	9,354.7	192,092.0	760.9	388.4	202,596.1	10,497.0	182,721.0	1,561.4		194,779.4
CWC	22.7	31.8	1.6		56.0	23.5	57.5	2.4		83.5	31.5	47.0	1.0		79.5
JJWC	23.8	32.5	12.8		69.2	21.7	36.2			57.9	29.0	36.5			65.5
NACC	52.4	47.8	2.1		102.2	49.9	139.7	1.1		190.7	57.3	60.5	1.2		118.9
NAPC	69.1	170.4	7.4		246.9	73.2	218.6	1.7		293.5	75.2	167.9			243.1
NCDA	31.3	18.4	48.2		97.9	30.2	25.5	19.2		74.9	28.6	27.5	26.4		82.6
NCIP	835.0	346.3	23.7		1,205.0	902.8	492.6	110.0		1,505.4	942.3	428.1	98.4		1,468.8
PCUP	111.1	83.9	1.5		196.5	100.5	92.4	6.5		199.5	103.2	88.8			192.0
Total	10,338.5	183,952.3	941.9	156.6	195,389.2	10,556.6	193,154.6	901.9	388.4	205,001.4	11,764.3	183,577.3	1,688.4	0.0	197,029.9

*The former Inter-Country Adoption Board (ICAB).

Source: FY 2023 BESF

**EXPENDITURE PROGRAM BY GENERAL EXPENSE CLASS, 2021-2023
(AS PERCENT TO TOTAL AGENCY)**

Particulars	2021					2022					2023				
	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL	PS	MOOE	CO	FinEx	TOTAL
OSEC	4.8	94.7	0.4	0.1	100.0	4.6	94.8	0.4	0.2	100.0	5.4	93.8	0.8	0.0	100.0
CWC	40.5	56.7	2.8	0.0	100.0	28.2	68.9	2.9	0.0	100.0	39.7	59.1	1.2	0.0	100.0
ICAB	34.4	47.0	18.6	0.0	100.0	37.5	62.5	0.0	0.0	100.0	44.3	55.7	0.0	0.0	100.0
JJWC	51.2	46.7	2.0	0.0	100.0	26.2	73.3	0.6	0.0	100.0	48.2	50.8	1.0	0.0	100.0
NAPC	28.0	69.0	3.0	0.0	100.0	24.9	74.5	0.6	0.0	100.0	30.9	69.1	0.0	0.0	100.0
NCDA	32.0	18.8	49.2	0.0	100.0	40.4	34.1	25.6	0.0	100.0	34.7	33.3	32.0	0.0	100.0
NCIP	69.3	28.7	2.0	0.0	100.0	60.0	32.7	7.3	0.0	100.0	64.2	29.1	6.7	0.0	100.0
PCUP	56.5	42.7	0.8	0.0	100.0	50.4	46.3	3.3	0.0	100.0	53.8	46.2	0.0	0.0	100.0
Total	5.3	94.1	0.5	0.1	100.0	5.1	94.2	0.4	0.2	100.0	6.0	93.2	0.9	0.0	100.0

*The former Inter-Country Adoption Board (ICAB).

Source: FY 2023 BESF

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