



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Thirteenth Congress
First Regular Session

HOUSE BILL NO. 4460

Introduced by Honorable Roger G. Mercado

EXPLANATORY NOTE

This bill seeks to create the Self-Employment Assistance Kaunlaran (SEA-K) Fund of the Department of Social Welfare and Development (DSWD).

The SEA-K Program is a capability-building program of the Department of Social Welfare and Development in coordination with the Local Government Units (LGUs). It is designed to enhance the socio-economic skills of poor families to establish and maintain a self-managed sustainable community-based micro-credit organization for entrepreneurial development.

The SEA-K Program is implemented in seventy four (74) provinces and in 1,193 low-income communities/cities. It is available to disadvantaged individuals and families of depressed communities nationwide with two (2) levels of participation, the SEA-K level I or the micro-enterprise level and the SEA-K level II or the Kabayan level where the SEA-K Associations (SKAs) are trained on how to access other government and private organizations' services.

The Program encourages the formation of groups and associations known as the SEA-K Associations (SKAs) and providing them with non-collateral and non-interest capital seed fund amounting to a maximum of P150,000.00 per SKA which can jumpstart or sustain micro-enterprises.

As of March 31, 2004, the SEA-K Program has provided over Php961 million cumulatively in seed capital to over 226,785 families nationwide. At present, over Php99 million in capital seed fund has been released to 116 SEA-Kabayans comprising 277 successful SKAs benefiting no less than 5,145 member-families.

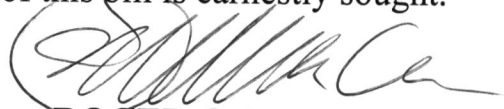
However, despite the tremendous impact this project has in the lives of thousands of marginalized and disadvantaged families and the willingness and eagerness of the people to organize and form associations for micro-enterprise building, the Government, since 2002, has stopped the yearly allocation in the GAA for the Program and the revolving fund of barely 39 million with the central office is almost depleted.

This is due to several reasons. The major ones are the failure of the client associations to pay back the seed capital, and the interest from the loan proceeds is returned to the National Treasury instead of the DSWD which should have been added to the revolving fund and used to implement the Program.

Congress, through the Priority Development Assistance Fund (PDAF), has given funds to the DSWD to finance and fund projects of qualified people's organization, associations and NGO's. However, since the scheme adapted is different from that of SEA-K Program, the DSWD has no control over the funds released to the organizations/associations, hence there is no roll back and subsequently, the appropriation for the PDAF will be completely depleted.

At present, the DSWD has barely enough funds to continue its projects under the Comprehensive Integrated Delivery of Social Services (CIDSS) which includes the SEA-K Program. It is therefore imperative that government seek ways and means to augment the funds for projects, particularly the SEA-K Program, which goes into the grass roots level and targets the marginalized and disadvantaged families who have no access to any formal lending institutions. This move is in line with the Constitutional provision of social justice for all.

In view of the foregoing, approval of this bill is earnestly sought.



ROGER G. MERCADO



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AN ACT
ESTABLISHING THE SELF-EMPLOYMENT ASSISTANCE
KAUNLARAN (SEA-K) FUND OF THE DEPARTMENT OF SOCIAL
WELFARE AND DEVELOPMENT, AND APPROPRIATING FUNDS
THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress Assembled:

SECTION 1. The Self-Employment Assistance Kaunlaran (SEA-K) Fund is hereby established to support the implementation of the Self-Employment Assistance Kaunlaran (SEA-K) Program of the Department of Social Welfare and Development (DSWD).

SEC. 2. The application of the SEA-K Fund shall be subject to the following conditions: (a) That the SEA-K Fund shall be used to provide capital assistance to the accredited SEA-K Associations (SKAs); (b) That

the DSWD and its partner agencies provide technical assistance to enhance the organizational and entrepreneurial knowledge and skills of the various SKAs to effectively manage their micro-enterprises.

SEC. 3. In order to cover the expenses and cost of support services, the amount of Ten Million Pesos (P10,000,000.00) of all appropriations for social welfare and development shall be set aside and made available for this purpose. Thereafter, such sum as may be necessary to fund the SEA-K Program shall be included in the annual General Appropriations Act. The Department of Social Welfare and Development shall be authorized to package proposals and receive grants, aid and other forms of financial assistance from any source for the purpose.

SEC. 4. The Department of Social Welfare and Development shall provide the necessary rules and regulations for the effective implementation of this Act.

SEC. 5. This Act shall take effect fifteen days after its publication in at least two (2) national newspapers of general circulation.

Approved,