

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 1500

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

It is said that the most stubborn kind of poverty is that of generational poverty, one that is handed down from generations after generations. In the 2006 Annual Poverty Statistics of the National Statistical Coordination Board, at least 27.9 Million Filipinos or 1/3 of the entire population are considered poor. And a big percentage of the poorest of the poor are those with heads who have the barest formal education. To address this problem, the Department of Social Welfare and Development (DSWD) implemented a Conditional Cash Transfer Program known as *Pantawid Pamilyang Pilipino Program (4Ps)* inspired by the successes of similar programs in Latin American countries such as *Bolsa Familia* in Brazil, *Familias en Accion* in Colombia and *OPORTUNIDADES* in Mexico.

The *Pantawid Pamilyang Pilipino Program (4Ps)* is a poverty reduction and social development strategy of the national government that provides conditional cash grants to extremely poor households to improve their health, nutrition and education particularly of children aged 0-14. The Cash Transfer Program is more than a welfare program as it seeks to expand opportunities and empower the marginalized groups and enhance their capacities

An initial study on the pilot areas of the program shows promising results. A significant increase in enrolment has been noted. Children covered by 4Ps have higher attendance compared to the general population of children in school. There was a remarkable increase in the use of health services by pregnant women and children compared to 2007. There was also a significant increase in the vaccination rate of children, as well as a decrease in prevalence of malnutrition among children.

Under the bill, each identified household-beneficiary shall receive a conditional cash transfer equivalent to P500 per month for health and nutrition expenses or the equivalent of P6,000 per household beneficiary per year.

An additional P300 per month per child for educational expenses or the equivalent of P3,000 per ten-month school year shall also be given to each of the household-beneficiary, with a maximum of three children.

Another important provision in the bill is the Self-Employment Assistance-Kaunlaran (SEAK) Program of the DSWD which seeks to provide loan assistance without interest, to be used as initial capital by trainees of the entrepreneurship and/or livelihood training programs.

This bill seeks to institutionalize the Pantawid Pamilyang Pilipino Program to ensure the sustainability of this Program from this administration to another, hence, the passage of this bill is earnestly being sought.



JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

H. B. No. 1500

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

**AN ACT
TO REDUCE POVERTY AND PROMOTE HUMAN CAPITAL DEVELOPMENT
THROUGH THE INSTITUTIONALIZATION OF THE CONDITIONAL CASH
TRANSFER PROGRAM OF THE GOVERNMENT AND PROVIDING FUNDS
THEREFOR**

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

SECTION 1. *Short Title.* This Act shall be known as the "***Pantawid Pamilyang Pilipino Program Act of 2010.***"

SEC. 2. *Declaration of Policy.* The State recognizes the need to strengthen the solidarity of the family and actively promote its total development.

The State further recognizes its obligation to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living and an improved quality of life for all.

The State furthermore recognizes the need to protect the weak and underprivileged, especially the extremely poor households; thus, the State hereby declares it a policy to:

- (a) adopt mechanisms to reduce poverty by providing grants to extremely poor households, particularly children aged zero (0) to fourteen (14) years, to improve their health, nutrition and education;
- (b) make available basic requirements for a healthy and productive citizenry, such as basic education and nutrition, to the poorest households; and
- (c) expand opportunities and empower the marginalized groups to enhance their capacities.

SEC. 3. *Definition of Terms.* As used in this Act, the following terms and phrases shall mean:

- a) *Poor* – individuals and families whose income fall below the poverty threshold as defined by the National Economic and Development Authority (NEDA) and/or cannot afford in a sustained manner to provide their minimum basic needs of food, health, education, housing and other essential amenities of life;
- b) *Department* – the Department of Social Welfare and Development (DSWD);

- c) *Qualified household-beneficiaries* – the poorest households in the legislative district identified/targeted by the Department for entitlement of the monthly conditional cash transfer who are permanent residents of the municipality/city, classified as extremely poor, who may have members who are pregnant and/or children zero (0) to fourteen (14) years of age and who are members of the Philippine Health Insurance Corporation (PHIC);
- d) *Responsible person* – the parent or guardian in the qualified household-beneficiary;
- e) *Child* – a minor belonging to the qualified household-beneficiary aged zero (0) to fourteen (14) years;
- f) *Preventive health checkup* – health services comprising of complete immunization, weight monitoring and management of childhood diseases;
- g) *Proxy mean testing* – an instrument using multi-dimensional indicators to assess socioeconomic status; and
- h) *Conditional cash transfer* – the monthly cash grant to be released by the Department to each qualified household-beneficiary in compliance with conditions.

SEC. 4. Selection of Qualified Household-Beneficiaries. On a nationwide basis and per legislative district, the Department shall select qualified household-beneficiaries using the list of poorest municipalities called the "Small Area Estimates" (SAE) generated by the National Statistical Coordination Board (NSCB) and the proxy mean testing.

SEC. 5. Conditional Cash Transfer. Subject to certain conditions, each qualified household-beneficiary shall receive a conditional cash transfer equivalent to Five hundred pesos (P500.00) per month for health and nutrition expenses or the equivalent of Six thousand pesos (P6,000.00) per household-beneficiary per year, and an additional Three hundred pesos (P300.00) per month per child for educational expenses or the equivalent of Three thousand pesos (P3,000.00) per a ten (10)-month school year. A maximum of three (3) children per household-beneficiary shall be allowed.

SEC. 6. Periodic Assessment of Amounts of Cash Transfer. The amounts indicated in the preceding section shall be made available to the household-beneficiaries during the first two (2) years of the implementation of this Act and may thereafter be made subject to reasonable adjustment/s by the President, if necessary, upon recommendation by the Department, after taking into account the rates of inflation and similar economic indicators.

SEC. 7. Conditions for Entitlement of Cash Transfer. To avail of the conditional cash transfer, the household-beneficiaries must meet specific conditions, namely:

- a) Pregnant women must get a pre- and postnatal care and be attended by a skilled or trained health care professional during childbirth;
- b) Responsible persons must attend family development sessions at least once a month;
- c) Children zero (0) to five (5) years old must receive regular preventive health checkups;

- d) Children three (3) to five (5) years old must attend day care or preschool classes at least eighty-five percent (85%) of the time;
- e) Children six (6) to fourteen (14) years old must enroll in the elementary or high school and attend at least eighty-five percent (85%) of the time;
- f) Children six (6) to fourteen (14) years old must avail of deworming pills at least every five (5) months; and
- g) Responsible persons shall join and complete at least two (2) recognized government and/or accredited nongovernment organization (NGO)-sponsored entrepreneurship and/or livelihood training programs.

SEC. 8. *Loan Assistance Extended to Trainees of the Entrepreneurship and/or Livelihood Programs.* Responsible persons who successfully completed the entrepreneurship and/or livelihood programs shall be given loan assistance without interest to serve as their initial capital through the Self-Employment Assistance-Kaunlaran (SEA-K) Program of the Department.

SEC. 9. *Consequences for Noncompliance with Conditions.* A reported household-beneficiary who fails to comply with the conditions set forth in Section 7 shall at first be notified in writing directed to the responsible person of the household-beneficiary.

If despite due notice, the responsible person continues with his/her noncompliance, the benefits under this Act may be suspended.

Should the household-beneficiary so notified persist in their failure to comply as directed, the cash transfer shall be cancelled after one (1) year of noncompliance.

SEC. 10. *Mode of Cash Transfer.* The conditional cash transfer shall be released by the Department and shall be received by the responsible person of the household-beneficiary or any of his/her duly authorized representative on a monthly basis through the Land Bank cash card.

If transfer through the cash card is not feasible, an alternative mode of transfer shall be effected such as, but not limited to, over-the-counter transactions through the nearest Land Bank branch or off-site payments by the Department, or through any bank authorized by the government.

SEC. 11. *Five (5)-year Maximum Limit for Receipt of Conditional Cash Transfer.* Each household-beneficiary shall receive the conditional cash transfer for a maximum period of five (5) years.

SEC. 12. *Lead Agency.* The Department shall serve as the central planning, coordinating, implementing and monitoring body.

In the implementation of this Act, the Department shall have the following functions:

- a) Select and use an appropriate, effective and cost efficient method devised for the purpose of identifying and selecting qualified household-beneficiaries;
- b) Identify and select the target household-beneficiaries on the basis of a uniform, objective and transparent selection process;
- c) Conduct seminar-workshops and training programs in order to ensure household-beneficiary awareness of the conditions and other actions pertinent to this Act;
- d) Coordinate with different national and local agencies, including organizations from the private sector, to ensure full implementation of statutory commitments herein;
- e) Set up monitoring and evaluation systems and methodologies on compliance of conditions, implementation of operations, and output and impact assessments. It shall also coordinate with the Advisory and Monitoring Committees at the national, regional and municipal levels to verify compliance once a month using the monitoring and evaluation systems designed for the purpose;
- f) Recommend to the President measures and policies for the responsive implementation of the commitments under this Act;
- g) Coordinate with different national and local agencies to maintain and update objective poverty maps which will be checked and cross-checked periodically for duplications and/or inaccurate or erroneous information;
- h) Formulate implementing rules and guidelines for the enforcement of this Act;
- i) Submit an annual report to Congress including, but not limited to, all aspects of its operations, financial status and other relevant data; and
- j) Perform such other functions as may be necessary and/or incidental to the proper enforcement of the statutory commitments under this Act.

SEC. 13. *Advisory Council.* An Advisory Council shall be created at the municipal, regional and national levels to be headed by the Department and composed of representatives from the Department of Education (DepED), the Department of Health (DOH), the PHIC, the Department of the Interior and Local Government (DILG), the Department of Trade and Industry (DTI), the Technical Education and Skills Development Authority (TESDA), the Department of Labor and Employment (DOLE), the National Anti-Poverty Commission (NAPC), the local government unit (LGU) concerned and accredited NGOs. The Advisory Council is principally tasked to monitor and assess actions and activities relative to the implementation of the program.

SEC. 14. *Independent Monitoring Committee.* An independent Monitoring Committee at the municipal, regional and national level, composed of representatives from the private sector, shall be created.

The independent Monitoring Committee is principally tasked to complement the monitoring activities of the Department and provide feedback thereto for proper action.

SEC. 15. *Grievance Committee.* A Grievance Committee shall likewise be created in the municipal, regional and national levels, headed by the Department and composed of representatives from the DepED, the DOH, the PHIC, the DILG, the DTI, the TESDA, the DOLE, the NAPC, the LGU concerned and accredited NGOs. The Grievance Committee is principally tasked to accept complaints and grievances that may arise within their respective territorial jurisdictions, conduct investigation in specific cases and dispose case/s filed in connection thereto.

SEC. 16. *Annual Appropriations.* The Secretary of Social Welfare and Development shall include in the Department's program the implementation of this Act, the initial funding of which shall be charged against the current year's appropriations of the Pantawid Pamilyang Pilipino Program (P4). Thereafter, the amount necessary for its continued implementation shall be included in the annual General Appropriations Act.

SEC. 17. *Penalty.* Any person, public or private, whether acting in conspiracy with public officials, who, by act or omission, inserts or allows the insertion of data or false information or who diverts from what ought to be found in the registry, with the view of altering the fact, or aiding in the grant of the money to person/s other than the qualified household-beneficiaries, shall be held liable civilly, criminally and administratively.

Without prejudice to penal sanctions, the beneficiary who misappropriates the money transferred under this program shall be obliged to effect reimbursement of the amount received with interest of one percent (1%) every month.

SEC. 18. *Separability Clause.* If any section or provision of this Act is held unconstitutional or invalid, the validity of other sections herein shall not be affected.

SEC. 19. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,