

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 195



INTRODUCED BY REPRESENTATIVE ARTHUR C. YAP

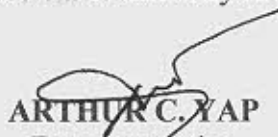
EXPLANATORY NOTE

In the Philippines, poverty remains to be the most critical socio-economic problem that needs to be addressed. According to the National Statistical and Coordination Board (NSCB), 27% of the population fell below the poverty line in the first semester of 2012. As stated in the Philippine Development Plan (PDP), the government aims to lower poverty incidence in the country to 16.6% by 2015. This, the government hopes to achieve through the implementation of various programs and projects which will ensure the delivery of appropriate and sufficient basic services to the people such as food security, educational and health services among others.

One such program is the Pantawid Pamilyang Pilipino Program (4Ps) also known as the Conditional Cash Transfer (CCT) Program. The program, patterned after the Latin American Conditional Cash Transfer Program, is the flagship anti-poverty program of the current and previous administrations. Its main objective is to impact on the hunger situation of the poorest families in the country by granting them conditional cash benefits and investing in human capital. The conditionalities of the grant are primarily for the parents to send their children to school and to health care centers on a regular basis.

This measure aims to institutionalize the implementation of the program by providing for the statutory authority therefor, ensure continuous funding and lay down the basic parameters for the determination of target-beneficiaries and conditions for their compliance. Likewise, the bill provides for monitoring and assessment mechanisms for the evaluation of the program and defines the duties and obligations of concerned government agencies tasked for the implementation of the program.

For the foregoing reasons, the immediate passage of the bill is earnestly sought.


ARTHUR C. YAP
Representative

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AN ACT
TO INSTITUTIONALIZE THE CONDITIONAL CASH SUBSIDY
PROGRAM OF THE GOVERNMENT, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

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

1 **SECTION 1. *Short Title*** - This Act shall be known as the “*Conditional Cash*
2 *Subsidy Institutionalization Act of 2013*”.

3 **SECTION 2. *Declaration of Policy***. - The State recognizes the need to
4 strengthen the solidarity of the family and actively promote its total development.
5 Likewise, the State recognizes its obligation to promote a just and dynamic social order
6 that will ensure the prosperity and independence of the nation and free the people from
7 poverty through policies that provide adequate social services, promote full employment,
8 a rising standard of living, and an improved quality of life for all. To these ends, the State
9 shall endeavor to protect the weak and under-privileged, especially the extremely poor
10 households through:

- 11 1) Adoption of mechanisms to reduce poverty by providing grants to extremely poor
12 households to improve their health, nutrition and education, particularly of
13 children age 0-14;
- 14 2) Making available basic requirements for a healthy and productive citizenry, such
15 as basic education and nutrition to the poorest household; and

- 1 3) Expansion of opportunities and empowerment of the marginalized groups to
2 enhance their capacities.

3 **SECTION 3. *Definition of Terms*** - as used in this Act, the following terms and
4 phrases shall mean:

- 5 a) **“Department”** - the Department of Social Welfare and Development;
6 b) **“Individual-Beneficiary”** – the legitimate spouse, legitimate, legitimated, legally
7 adopted and illegitimate children who belong to identified and selected poorest
8 households in the country;
9 c) **“Beneficiary-Household”** – the poorest household in the country identified /
10 targeted by the Department for entitlement of the Monthly Conditional Cash
11 Subsidy;
12 d) **“Responsible Person”** – the parent or guardian in the targeted household -
13 beneficiary;
14 e) **“Child”** – a minor child belonging to the household-beneficiary aged 0-14;
15 f) **“Proxy Mean Testing”** – an instrument using multi-dimensional indicators to
16 assess socio-economic status; and
17 g) **“Conditional Cash Subsidy”** – the monthly cash grant to be received by each
18 identified household-beneficiary.

19 **SECTION 4. *Conditional Cash Subsidy.*** – Subject to certain conditions, each
20 identified / targeted household-beneficiary shall receive a conditional cash subsidy
21 equivalent to Five Hundred Pesos (P500.00) per month for health and nutrition expenses
22 or the equivalent of Six thousand Pesos (6,000.00) per household-beneficiary per year,
23 and an additional Three Hundred Pesos (P300.00) per month per child for educational
24 expenses or the equivalent of Three Thousand Pesos (P 3, 000.00) per a 10-month school
25 year. A maximum of three (3) children per household-beneficiary shall be allowed.

26 **SECTION 5. *Periodic Assessment of Amounts of Cash Subsidy*** – The amounts
27 indicated in the preceding section shall be made available to the household-beneficiaries
28 during the first two (2) years of the implementation of this Act and may thereafter be
29 made subject to reasonable adjustment/s by the President, if necessary, upon

1 recommendation by the Department, after taking into account the rates of inflation and
2 similar economic indicators.

3 **SECTION 6. *Qualified Household-Beneficiaries*** – Household-beneficiaries
4 shall belong to the poorest household in the country selected through a uniform, objective
5 and transparent set of criteria.

6 **SECTION 7. *Conditions for Entitlement of Cash Subsidy*** – To avail of the
7 Conditional Cash Subsidy, the individual beneficiary/ies or the parent/s or guardian/s, in
8 case of a child, must meet the following specific conditionalities:

9 (a) Pregnant women must get a pre- and post natal care and be attended by a skilled
10 or trained health care professional during childbirth;

11 (b) Parents or guardians must attend responsible parenthood sessions, mother's
12 classes and parent effectiveness seminars;

13 (c) Children 0 to 5 years old must receive regular preventive health check-ups;

14 (d) Children 3 to 5 years old must attend day care or pre-school classes at least 85%
15 of the time;

16 (e) Children 6 to 14 years old must enroll in the elementary or high school and attend
17 at least 85% of the time;

18 (f) Children 6 to 14 years old must avail of de-worming pills at least every five
19 months and,

20 (g) Household-beneficiary shall join and complete at least two (2) recognized
21 government-sponsored livelihood training programs.

22 **SECTION 8. *Consequences for Non-Compliance with Conditionalities.*** – A
23 reported household-beneficiary which fails to comply with the conditionalities set forth in
24 the preceding section shall at first be notified in writing directed to the person legally
25 responsible for the family.

26 If despite due notice, the responsible person continues in his/her non-compliance,
27 the benefits under this Act may be suspended.

28 Should the person so notified persist in his or her failure to so comply as directed,
29 the cash subsidy shall finally be cancelled after one-year of non-compliance.

1 **SECTION 9. *Mode of Cash Transfer.*** – The Conditional Cash Subsidy shall be
2 released quarterly and shall be received by the most responsible person of the household-
3 beneficiary or any of his/her duly authorized representative through the Land Bank Cash
4 Card.

5 Should transfer through the Cash Card be not feasible, an alternative mode of
6 transfer shall be effected such as over the counter transactions through the nearest Land
7 Bank Branch or off-site payments through the authorized rural bank.

8 **SECTION 10. *Five-Year Maximum Limit for Receipt of Conditional Cash***
9 ***Subsidy.*** – Each household-beneficiary shall receive the Conditional Cash Subsidy for a
10 maximum period of five (5) years.

11 **SECTION 11. *Method for Selecting Household-Beneficiary.*** – Household-
12 beneficiaries shall be identified and screened by utilizing the multi-dimensional
13 indicators such as the Proxy Mean Testing or other more appropriate, effective and cost
14 efficient methods that may be devised for the purpose.

15 **SECTION 12. *Lead Agency.*** –The Department shall serve as the central
16 planning, coordinating, implementing and monitoring body.

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

- 19 (a) Identify and select the target household-beneficiaries on the basis of a uniform,
20 objective and transparent selection process;
- 21 (b) Conduct seminar-workshop and training programs in order to ensure household-
22 beneficiary awareness of the conditionalities and other actions pertinent to this
23 Act;
- 24 (c) Coordinate with different national and local agencies, including organizations
25 from the private sector to ensure full implementation of herein statutory
26 commitments;
- 27 (d) Set up monitoring and evaluation systems and methodologies on compliance of
28 conditionalities, implementation of operations, and output and impact
29 assessments. It shall also coordinate with the Advisory and Monitoring

- 1 Committees at the national, regional and municipal levels to verify compliance
2 once a month using the monitoring and evaluation systems designed for the
3 purpose;
- 4 (e) Conduct periodic studies concerning the strengthening of conditionalities
5 monitoring, fine-tuning of targeting, expansion of coverage, oversight and
6 controls;
- 7 (f) Recommended to the President measures and policies for the responsive
8 implementation of the commitments under this Act;
- 9 (g) Maintain and update objective poverty maps and registry of target household-
10 beneficiaries which will be checked and cross-checked periodically for
11 duplications and/or inaccurate or erroneous information;
- 12 (h) Formulate implementing rules and guidelines for the enforcement of this Act;
- 13 (i) Submit an annual report to Congress including, but not limited to, all aspects of its
14 operations, financial status and other relevant data; and
- 15 (j) Perform such other functions as may be necessary and/or incidental to the proper
16 enforcement of the statutory commitments under this Act.

17 **SECTION 13. *Advisory Council.*** – There shall be created an Advisory Council
18 at the municipal, regional and national levels to be composed of representatives from the
19 Department of Education, Department of Health, Department of Interior and Local
20 Government, National Anti-Poverty Commission, and the Local Government Unit
21 concerned. The Advisory Council is principally tasked to cooperate and coordinate with
22 the Department in the monitoring and assessment of actions and activities relative to the
23 implementing process.

24 **SECTION 14. *Grievance Committee*** – There shall likewise be created
25 Grievance Committees in the municipal, regional and national levels composed of
26 representatives from the Department of Education, Department of Health, Department of
27 Interior and Local Government, National Anti-Poverty Commission, and the Local
28 Government Unit concerned with the principal task of accepting complaints and

grievances that may arise within their respective territorial jurisdictions, conducting investigations in specific cases and disposing case/s filed in connection thereto.

SECTION 15. *Appropriation* – The funds necessary for the implementation of this Act shall be included in the yearly budget allocation of the Department as provided for under the General Appropriation Act.

SECTION 16. *Penalties* – Any person, public or private, whether acting in conspiracy with the public officials or not, who by act or omission, inserts or allows the insertion of data or false information or who diverts from what ought to be inserted in the registry, with the view of altering the fact, or aiding in the grant of person other than the intended beneficiary, shall be held liable civilly, criminally and administratively in accordance with the implementing rules and regulations.

Without prejudice to penal sanctions, the beneficiary who fraudulently uses the benefit shall be obliged to effect reimbursement of the amount received with interest of one (1%) percent every month.

SECTION 17. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this Act, the Secretary of the Department shall promulgate the rules and regulations necessary for the effective implementation of this Act.

SECTION 18. *Separability Clause.* - If any of the provisions of this is declared invalid or unconstitutional, the remaining parts or provisions hereof not affected thereby shall remain in full force and effect.

SECTION 19. *Repealing Clause.* - All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 20. *Effectivity Clause* - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.