

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 957



Introduced by **MAGDALO Party List Representatives Gary C. Alejano**
and Francisco Ashley L. Acedillo

EXPLANATORY NOTE

Article II, Section 9 of the Constitution affirms that the State shall 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 present socio-economic condition of our country, however, runs counter to the aforesaid policy of the State. As compared with neighboring Southeast Asian countries, the gap between the rich and the poor is most pronounced in the Philippines based on a study conducted in 2011¹. The study noted that the Philippines registered a Gini coefficient of 44 percent last year, higher than Thailand's 42.5 percent, Indonesia's 39.4 percent, Malaysia's 37.9 percent and Vietnam's 37.8 percent².

Recent reports have shown that despite positive gains, economic growth has been inequitable across sectors of the economy and poverty in the Philippines has actually increased since 2003. In 2009, 26.5% of the population in the country was living in poverty, which equates to 23.14 million people³.

Although there have been efforts to address the crisis of poverty through livelihood programs, with the direct involvement of government agencies and institutions, many problems persist. Lack of coordination among these agencies and wasteful duplication of efforts and initiatives are the most prominent of these problems.

In lieu of this, this bill seeks to establish a National Livelihood Development Council which is tasked to formulate a comprehensive and integrated livelihood development program for the country.

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

GARY C. ALEJANO

FRANCISCO ASHLEY L. ACEDILLO

¹ Study conducted by research and advisory firm Stratbase Research Institute. Information retrieved from <http://business.inquirer.net/8377/philippines-leads-in-income-inequality-in-asean-says-study> on 2 June 2013.

² *Ibid*. The global ranking was prepared by international group Vision of Humanity using the Gini coefficient, a measure of the inequality of a distribution, as the basis.

³ Information retrieved from <http://ausaid.gov.au/countries/eastasia/philippines/Pages/why-aid.aspx> on 2 June 2013.

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AN ACT
CREATING THE NATIONAL LIVELIHOOD DEVELOPMENT COUNCIL THEREBY
INSTITUTIONALIZING THE LIVELIHOOD MOVEMENT OF THE PHILIPPINES

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

1 **SECTION 1. *Title.*** – This Act shall be known as the "National Livelihood Development
2 Act of 2013".

3
4 **SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State to free poor
5 Filipinos from the bondage of poverty, improve their living conditions, and them the opportunity
6 to increase their productive and income-earning capabilities through a comprehensive, integrated
7 and effective national development program.

8 The State shall pursue a comprehensive national development program for the socio-
9 economic upliftment of the poorest sector of our population in order to integrate them into the
10 mainstream of society, promote social justice and hasten the development and industrialization
11 of the countryside.

12
13 **SEC. 3. *Creation.*** - There is hereby created a National Livelihood development Council
14 (NLDC), under the Office of the President of the livelihood-generating activities of all
15 government agencies including government-owned and controlled corporations (GOCCs).

16
17 **SEC. 4. *Purpose.*** - The Council shall formulate a comprehensive and integrated
18 National Livelihood Development program and oversee bits implementation. It shall also

1 create mechanisms and structures to integrate all livelihood initiatives particularly within
2 the government sector.

3
4 **SEC. 5. Powers and Functions.** – The Council shall have the following powers
5 and functions:

6 a. To formulate, in accordance with the bottom-up planning approach and in
7 consultation with the concerned sectors, an integrated and comprehensive national
8 livelihood development program;

9 b. To formulate, in consultation with the concerned sectors, policies, standards, and
10 guidelines which shall govern the implementation of livelihood programs and
11 projects, including the identification and coordination of various types of assistance
12 that should be provided to ensure their effective implementation;

13 c. To review, amend, modify, and approves all livelihood programs submitted by
14 implementing agencies including GOCCs, and to evaluate and recommend the
15 budgetary allocations of resources for all livelihood programs and projects through
16 the Department of Budget and Management (DBM), as well as review and endorse to
17 the National Economic Development Authority (NEDA) all requests for foreign
18 financing whether in the form of grants, donations, or loans;

19 d. To monitor and evaluate the implementation of livelihood programs and projects and
20 institute measures to address identified gaps, as well as decide on whether or not a
21 certain livelihood program or project based on monitoring and evaluation results;

22 e. To establish effective unified mechanisms for program planning and implementation;

23 f. To review, amend, modify, and approve all provincial/city livelihood development
24 programs with national funding to ensure that these conform and are consistent with
25 the various agencies plans and programs;

26 g. To provide and disseminate information and data on livelihood projects initiatives
27 and concerns to agencies concerned and point out actual or possible duplication
28 among livelihood projects;

- 1 h. To authorize expenditures of the Council as may be necessary for the proper, efficient
- 2 and effective administration of the National Livelihood Development Program;
- 3 i. To promulgate rules and regulations as may be necessary for the effective exercise of
- 4 the powers and functions of the Council;
- 5 j. To improve and recommend to the Department of Budget and Management the
- 6 annual and supplemental budgets for the Council;
- 7 k. To create form among themselves such working committees necessary for the
- 8 efficient and effective operation of the Council;
- 9 l. To support the promotion and marketing of livelihood enterprises; and
- 10 m. To provide a continuing education and information dissemination program on
- 11 enterprise management.

12

13 **SEC. 6. *Composition of the Council.*** – The Council shall be composed of a

14 Chairman to be appointed by the President of the Philippines and the following as

15 members:

- 16 a. The most senior official directly responsible for the overall management of livelihood
- 17 programs and projects of the following agencies: the Department of Social Welfare
- 18 and Development (DSWD), the Department of Trade and Industry (DTI), the
- 19 Department of Interior and Local Government, the Department of Agrarian reform
- 20 (DAR); and the Department of Environment and natural Resources (DENR).
- 21 b. Heads of the Livelihood Corporation and the Technology and Livelihood Resource
- 22 Center;
- 23 c. The most senior official of each Government Financing Institutions directly
- 24 responsible for the overall management of the agency's livelihood assistance program
- 25 and/or lending window;
- 26 d. Head of the NEDA Social Development Committee;
- 27 e. Two (2) non-governmental organization representatives involved in livelihood
- 28 programs, to be chosen by the same sector through a process designed by them;

- 1 f. Five (5) private sector representatives designated by the private sector representatives
2 designated by the Council coming from any of following sectors: agriculture,
3 industry, youth and finance/banking; and
4 g. Two (2) representatives of people's organization to be chosen by the same sector
5 through a process designated by them.

6 **SEC. 7. Secretariat.** – To render technical and administrative support, the
7 Livelihood Corporation, created under the Executive Order No. 866, shall provide the
8 Secretariat which shall be headed by an Executive Director to be appointed by the
9 Chairman of the Council.

10 The Secretariat shall work closely with the provincial/city livelihood committees
11 on the aspects of monitoring and evaluating the implementation of livelihood programs.
12

13 **SEC. 8. Local Livelihood Committees.** – The Provincial/City Livelihood
14 Committee shall be composed of the provincial/city representatives of the member
15 government agencies of the Council. The Committees shall report to the Secretariat with
16 respect to the implementation of livelihood programs of the respective agencies in line
17 with policies of the Council. The PLC shall be responsible for preparing a provincial/city
18 livelihood development plan for submission to and approval by the Council. The
19 provincial/city livelihood development plan shall be formulated and implemented with
20 maximum participation and involvement of NGOs and POs in the concerned
21 province/city.
22

23 **SEC. 9. Implementing Guidelines.** – The Council shall formulate and issue
24 within six (6) months after the approval of this Act the necessary implementing
25 guidelines which shall include but not limited to the following:

- 26 a. Definition of Livelihood Programs and Projects

b. Livelihood programs and projects shall include all those activities and schemes involving government funds that are allocated to non-government recipients in order to generate income and employment; and

c. Eligibility Criteria

To be qualified for appropriate assistance, an individual or group proponent must belong to any of the following categories:

1. Those who are barely able to survive because of severe material and/or social deprivation and with no regular sufficient income;
2. Those with regular but low income (i.e., minimum wage);
3. Micro entrepreneurs and wage earners with regular income above the minimum wage but not sufficient to maintain a family life; and
4. Small and starting entrepreneurs and professionals, farmers and fishermen with viable operations and projects needing some assistance to stabilize or expand their enterprises.

The Council shall adopt a framework that recognizes the developmental stages inherent in the objective of graduating as many of the poor outside of the poverty continuum. In this regard, the Council is empowered to identify and/or specify the roles of each government financial institutions.

SEC. 10. Powers and Functions of the Council Chairman. – The Chairman shall

have the following powers and functions:

- a. To preside over all meetings of the Council;
- b. To exercise overall supervision of the activities of the Council; and
- c. To execute in behalf of the Council any contract or agreement as may be necessary for proper, efficient and effective administration of the Council.

SEC. 11. Powers and Duties of Executive Director. – The Executive Director

shall exercise the following powers and duties:

- a. To execute the policies, guidelines and programs approved by the Council and to be responsible for the efficient discharge of management and operational functions of the Council;
- b. To recommend the organizational structure and staffing pattern of the Secretariat to the Council;
- c. To review and submit for the consideration and approval of the Council proposed measures, policies, guidelines, and programs, as s/he may deem necessary for the effective implementation of this Act;
- d. To direct and supervise the day to day operations of the Secretariat; and
- e. To exercise such powers and functions and perform such other duties as may be vested or imposed upon him by the Council.

SEC. 12. Appropriations. – Such sums as may be necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

SEC. 13. Annual Report. – The Council shall submit to the President of the Senate and the Speaker of the House of Representatives an annual report on its operations and accomplishments.

SEC. 14. Repealing Clause. – All laws, executive orders, rules and regulations or parts thereof, inconsistent with this Act are hereby repealed, amended, modified accordingly. The provisions of this Act shall not be repealed, amended or modified, unless expressly so provided in subsequent general or special laws.

SEC. 15. Effectivity Clause. – This Act shall take effect fifteen (15) days following its complete publication in the *Official Gazette* or in a newspaper of general circulation in the Philippines.

Approved,