

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No. **1802**



Introduced by Representatives
GLORIA MACAPAGAL ARROYO and DIOSDADO MACAPAGAL ARROYO

**AN ACT TO INSTITUTIONALIZE THE CONDITIONAL CASH SUBSIDY PROGRAM
OF THE GOVERNMENT AND PROVIDING FUNDS THEREFOR**

EXPLANATORY NOTE

Mass poverty is perennial problem of emerging economies like the Philippines.

Abject poverty and extreme want sap the human being of dignity and limit the capacity to live a full life, thus, the need to constantly come up with institutional and operational innovations to alleviate poverty.

Governments continue to formulate and design sustainable and comprehensive programs to keep poverty at a minimum level, if not to eradicate it altogether. These programs consider the need to deliver adequate basic services, such as food security, income security, education, functional literacy, and health care services.

Short term and long term strategies and programs were designed in the past administration to impact on lives of the extremely poor. One of the most notable of these is the **Pantawid Pamilyang Pilipino Program (4Ps)**.

The **4PS** is a flagship anti poverty program of the government that grants conditional cash subsidy to the poorest households in the country to improve their health, nutrition and education. The program is basically intended to immediately impact on the poverty situation of the poorest families by granting them conditional cash benefits and in long term, break the vicious of poverty by investing in human capital such as sending the children to school and bringing them to health care centers on a regular basis.

As of 31 March 2013 the Pantawid Pamilya is being implemented in 143 cities and 1,484 municipalities in 79 provinces where a total of 3,967,517 households are enrolled.

The 4Ps is patterned after the Latin American Conditional Cash Transfer (CCT) Programs, the largest of which is Brazil's Bolsa Familia Program (Bolsa Familia).

The 4Ps, our own version of the Bolsa Familia, contributes to alleviating the poverty situation of target beneficiaries, especially the extremely poor Filipinos. By investing in human capital, this program has the potential to break the backbone of poverty in the country and create opportunities to live a full, productive and meaningful life.

Said bill was approved on the Third Reading at the House of Representatives on January 26, 2010. It was sent to the Senate on January 28, 2010.

The early passage of this bill is strongly recommended.



GLORIA MACAPAGAL ARROYO
2nd District, Pampanga

DIOSDADO MACAPAGAL ARROYO
2nd District, Camarines Sur

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

Section 1. *Title.* – This Act shall be known as “***The Bulsa Pamilya Act of 2013***”.

Sec. 2. *Declaration of Policy.* –

The State *recognizes* the need to strengthen the solidarity of the family and 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; and,

The State *further recognizes* the need to protect the weak and under-privileged, especially the extremely poor households; thus, the State hereby declares it a policy to:

2.1. Adopt mechanisms to reduce poverty by providing grants to extremely poor households to improve their health, nutrition and education, particularly of children aged 0-14.

2.2 Make available basic requirements for healthy and productive citizenry, such as basic education and nutrition to the poorest households; and,

2.3. Expand opportunities and empower the marginalized groups to enhance their capacities.

Sec. 3. *Definition of Terms* – As used in this Bill, the following terms and phrases shall mean:

- a) “Department” – the Department of Social Welfare and Development;
- b) “Individual-Beneficiary” – the legitimate spouse, legitimate, legitimated, legally adopted and illegitimate children who belong to the identified and selected poorest households in the country;
- c) “Beneficiary-Household” – the poorest household in the country identified/targeted by the Department for entitlement of the Monthly Conditional Cash Subsidy;
- d) “Responsible Person” – the parent or guardian in the targeted household-beneficiary;
- e) “Child” – a minor child belonging to the household-beneficiary aged 0-14;

- f) "Proxy Mean Testing" – an instrument using multi-dimensional indicators to assess socio-economic status; and,
- g) "Conditional Cash Subsidy" – the monthly cash grant to be received by each identified household-beneficiary

Sec. 4. *Conditional Cash Subsidy.* – Subject to certain conditions, each identified/targeted household-beneficiary shall receive a conditional cash subsidy 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 10-month school year. A maximum of three (3) children per household-beneficiary shall be allowed.

Sec. 5. *Periodic Assessment of Amounts of Cash Subsidy.* – 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. 6. *Qualified Household-Beneficiaries.* – Household-Beneficiaries shall belong to the poorest households in the country selected through a uniform, objective and transparent set of criteria.

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

- a) Pregnant women must get a pre and post natal care and be attended by a skilled or trained health care professional during childbirth;
- b) Parents or guardians must attend responsible parenthood sessions, mother's classes and parent effectiveness seminars;
- c) Children 0 to 5 years old must receive regular preventive health check-ups;
- d) Children 3 to 5 years old must attend day care or pre-school classes at least 85% of the time;
- e) Children 6 to 14 years old must enrol in the elementary or high school and attend at least 85% of the time;
- f) Children 6 to 14 years old must avail of de-worming pills at least every five months; and,
- g) Household-beneficiary shall join and complete at least two (2) recognized government –sponsored livelihood training programs.

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

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

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

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

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

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

Sec. 11. *Method for Selecting Household-Beneficiary.* – Household-beneficiaries shall be identified and screened by utilizing the multidimensional indicators such as the Proxy Mean Testing or other more appropriate, effective and cost efficient method that may be devised for the purpose.

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) Identify and select the target household-beneficiaries on the basis of a uniform, objective and transparent selection process;
- b) Conduct seminar-workshops and training programs in order to ensure household-beneficiary awareness of the conditionalities and other actions pertinent to this Act;
- c) Coordinate with different national and local agencies, including organizations from the private sector to ensure full implementation of statutory commitments herein;
- d) Set up monitoring and evaluation systems and methodologies on compliance of conditionalities, 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;
- e) Conduct periodic studies concerning the strengthening of conditionalities monitoring, fine-tuning of targeting, expansion of coverage, oversight and controls;
- f) Recommend to the President measures and policies for the responsive implementation of the commitments under this Act;
- g) Maintain and update objective poverty maps and registry of target household-beneficiaries 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.* – There shall be created an Advisory Council at the municipal, regional and national levels to be composed of representatives from the Department of Education, Department of Health, Department of Interior and Local Government Unit concerned. The Advisory Council is principally tasked to cooperate and coordinate with the Department in the monitoring and assessment of actions and activities relative to the implementation process.

Sec. 14. *Independent Monitoring Committee.* – There shall be created an Independent Monitoring Committee at the municipal, regional and national level, composed of representatives from the private sector.

The Independent Monitoring Committee shall have the primary function of complementing the monitoring activities of the Department, providing feedback thereto for proper action.

Sec. 15. *Grievance Committee.* – There shall likewise be created a Grievance Committee in the municipal, regional and national levels composed of representatives from the Department, Department of Education, Department of Health, Department of Interior and Local Government, National Anti-Poverty Commission, and the Local Government Unit concerned with the principal task of accepting complaints and grievances that may arise within their respective territorial jurisdictions, conducting investigation in specific cases and disposing case/s filed in connection thereto.

Sec. 16. *Annual Appropriations.* – The funds hereof shall be included in the yearly budget allocation of the Department as provided for under the 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 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.

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.

Sec. 18. *Separability Clause.* If any part of this Act is held invalid or unconstitutional, the other parts or provisions hereof not affected thereby shall remain valid and effective.

Sec. 19. *Effectivity.* This Act shall take effect fifteen (15) days from its publication in at least two (2) national newspapers of general circulation.

Approved,