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SENATE

S. No. 1152

PT.

BY: Ju

Introduced by Senator Ralph G. Recto

Explanatory Note

In 2008, the Department of Social Welfare and Development (DSWD) has launched one of the cornerstone programs of the government in its efforts to promote social protection and inclusive growth. The Pantawid Pamilyang Pilipino Program, commonly referred to as *4Ps* or *Conditional Cash Transfer (CCT)*, is a poverty reduction strategy that provides cash grants to extremely poor Filipino households to allow their families to achieve certain human development goals. The guidelines for the program's implementation were set by DSWD Administrative Order No. 16, Series of 2008.

It is one of the various safety net programs that have been implemented in several countries to provide social assistance to the poor. Many Latin American countries and other Asian countries such as Bangladesh and Indonesia, have also implemented such a program. The CCT program aims to expedite the country's rather slow accomplishment of the Millennium Development Goals (MDGs) and break the poverty cycle by addressing the issues of low education achievements, high levels of maternal and infant mortality rates, high malnutrition rate and high child labor rate. These are expected to be accomplished by complementing the supply-side interventions of other government agencies such as the Department of Education (DepEd) and the Department of Health (DOH) in addressing lagging human development outcomes.

Nearly five years since its inception, the program has, to date, covered approximately 3.9 million households which is divided in six sets, targeting almost 100% nationwide geographic coverage¹. Each set of beneficiaries is enrolled in the program for a maximum period of five years thereby producing the first set of graduates from the program by December 31 of this year.

According to several studies, the program has already shown positive impacts on its beneficiary households. The cash grants increase the household incomes of the poor which consequently increase local consumption favoring the growth of micro enterprises. Moreover, the conditionalities set forth in the program have helped improve the education and health of children. Compliance rates as of June 2013 show that 98% of students, aged 3 to 14 years, enrolled in the CCT program complied with the 85% attendance requirement; 96% of children aged 0 to 14 years complied with the regular check-up and de-worming requirement; and 95% of parents complied with the attendance to family development sessions².

Notwithstanding these promising results, the CCT program still faces challenges in program administration leakages and weaknesses. However, the DSWD is committed to address complaints through their Grievance Redress System (GRS) and continue expanding the program to help more people in the vulnerable sectors in the country who may not be covered by the regular CCT program.

¹ Pantawid Pamilyang Pilipino Program, Program Implementation Status Report, as of June 2013, DSWD

² Pantawid Pamilyang Pilipino Program, Program Implementation Status Report, as of June 2013, DSWD

The program also remains subject to discontinuance once future administrations decide to halt the program due to differences in priorities and budgetary constraints caused by the increasing number of targeted program beneficiaries. This bill therefore, secures the continued implementation of the CCT by institutionalizing the program and its funding in the General Appropriations Act. The cumulative budget appropriated for the program from 2008 to 2013 stands at P120 billion while the 2014 budget is at P62.6 billion.

One of the bill's expansion features is the inclusion of families residing in the areas identified as 'danger zones' and 'unsafe to live' by the government in the list of eligible beneficiaries. These families tend to become vulnerable to disasters caused by flooding, flashfloods and other natural calamities. Latest data of the government showed that as of July 2011, there are about 1,502,336 informal settler families nationwide. The bulk of which, at about 584,425 are in Metro Manila, while the rest are from the different regions in the country. Thus, the government has launched its clearing program by relocating affected families to in-city and off-city housing sites.

Including them as eligible beneficiaries to the program, subject to the standard screening procedures of the DSWD, can mitigate the effects of such clearing and relocation to the economic and financial stability of the families that will be displaced. This is parallel to the current Modified Conditional Cash Transfer for Homeless and Street Families (MCCT-HSF) of the DSWD which aims to provide cash grants for the education, health, and other development needs of street families and their children.

The bill, likewise, guarantees that children of beneficiary households who are attending school will be able to complete secondary education and not be hindered by the five-year period and the 14-year age limitation currently set by the regular CCT program. The bill, thus, expands the age for eligible schooling from the current 14 years to 18 years and provides that those above 18 years old will still be able to avail of the education grant until senior high school is completed.

Several studies indicate that attaining higher levels of education will help in obtaining higher wages. Based on the July 2011 Labor Force Survey, the average daily wage of a worker who had finished high school is at P246, or 32% higher than that of an elementary graduate which is only at P186. The difference in wages clearly shows that, indeed, investments in education bring forth higher returns in one's future.

Investments have to be made to increase the access of the poor to education and good health. The government has an earnest task to equalize opportunities and take affirmative actions for the poor. Institutionalizing the Pantawid Pamilyang Pilipino Program materializes this goal by helping in the redistribution of wealth to decrease the prevailing income inequality, ensuring that the poor may also take advantage of finding better employment opportunities, and improving human capital to break the intergenerational cycle of poverty in the country.

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



RALPH C. RECTO



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RECORDED BY: ju

Introduced by Senator Ralph G. Recto

AN ACT
TO REDUCE POVERTY AND PROMOTE HUMAN CAPITAL DEVELOPMENT BY
INSTITUTIONALIZING A CONDITIONAL CASH TRANSFER PROGRAM

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 “Pantawid Pamilyang Pilipino
2 Program Act of 2013”

3 **SEC. 2. Declaration of Policy.** – It is the declared policy of the State to promote the
4 development of human capital among Filipino families, especially on young children to break the
5 intergenerational cycle of poverty among poor households caused by low schooling and high
6 malnutrition rate.

7 **SEC. 3. Objectives.** – Pursuant to the government’s commitment to promote inclusive
8 growth and provide social assistance and development to its citizens, this Act aims to:

- 9 1. Improve preventive health care of pregnant women and young children;
- 10 2. Increase enrollment and/or attendance of children in elementary and
11 secondary levels;
- 12 3. Reduce incidence of child labor;
- 13 4. Improve maternal health;
- 14 5. Encourage parents to invest in their own and their children’s future; and
- 15 6. Encourage parents’ participation in the growth and development of young
16 children, as well as involvement in the community.

17 **SEC. 4. Eligible Beneficiaries.** – To be eligible for the cash grants, households must meet
18 the following criteria:

- 19 1. Those belonging to the extremely poor household classification as defined
20 by the poverty threshold of the municipality/province based on the
21 issuance of the National Statistical and Coordination Board (NSCB) at the
22 time of selection; or those households from the informal settlers sector,
23 who will be displaced by the clearing and relocation operations of the
24 government: *Provided, That* those residing in danger areas like esteros,

1 riverbanks, waterways, shorelines, garbage dumps, and railroad tracks
2 shall be given priority;

3 2. Those households which, at the time of registration into the program, have
4 members who are aged 0 to 18 years old or have members who are
5 pregnant; and

6 3. Those who are willing to comply with the conditions specified by this Act.

7 Once eligible beneficiaries are defined, the beneficiary households are selected through
8 the use of the Proxy Means Test (PMT) from the information gathered in a Household Survey
9 Assessment Tool to be conducted by the DSWD.

10 **SEC. 5. Program Grants.** – Selected beneficiary households shall receive cash grants for
11 at least one of two components: health/nutrition and/or education.

12 The health/nutrition grant component aims to promote healthy practices and family
13 development, improve the nutritional status of young children, and increase the use of health
14 services by the beneficiary household. The health grant is a fixed amount and does not depend on
15 the number of members in the household.

16 The education grant component is granted to a maximum of three children in the
17 beneficiary household, aged 3 to 18 years old. In the event that the child is already above 18
18 years old but is enrolled in or still wishes to continue his/her elementary or secondary education,
19 he/she shall be provided with the education grant until senior high school is completed.

20 The amounts for each component shall be determined by the DSWD, in consultation with
21 the Department of Budget and Management (DBM), taking into account the current needs for
22 health and education.

23 These grants are to be released on a quarterly basis to the beneficiary households for the
24 duration of their participation in the program, subject to their compliance with the program
25 conditionalities provided under Section 6 of this Act.

26 **SEC. 6. Program Conditionalities.** – Beneficiary households must comply with specific
27 health and education conditionalities in order to continue receiving the cash grants provided in
28 Section 5 of this Act.

29 To continue availing of the health grant, all household grantees must attend Family
30 Development Sessions (FDS) at least once a month; children aged 0 to 5 years old must visit
31 health centers to avail of health services in the periodicity defined by DOH protocol; children
32 aged 6 years old and above must take de-worming pills twice a year at schools; and pregnant
33 household members must have at least one pre-natal consultation each trimester during the
34 pregnancy and delivery must be assisted by skilled health personnel.

35 Children who receive education grants must be enrolled in a day care/pre-school
36 program, elementary or secondary school and maintain a class attendance rate of 85 percent per
37 month.

1 **SEC. 7. Forfeiture of Grant.** – The payment of cash grants will be terminated if a
2 beneficiary household no longer meets the eligibility criteria provided in Section 4 of this Act
3 and/or does not comply with the conditions set forth in Section 6 of this Act.

4 If a beneficiary household is found to be non-compliant with the conditionalities in a
5 particular month, the cash grant will not be paid for that month. However, third offense of non-
6 compliance will result in termination of payments and temporary suspension from the program.

7 **SEC. 8. Program Monitoring and Evaluation.** – The DSWD, together with the
8 Department of Health (DOH) and the Department of Education (DepEd), shall conduct a
9 periodic impact evaluation study to assess the overall effectiveness of the program in meeting its
10 health and education objectives, and to address leakages to further improve the delivery of the
11 program. The Secretary of DSWD shall furnish a copy of the results of the study to Congress.

12 **SEC. 9. Appropriations.** – The funds necessary for the full implementation of this Act
13 shall be annually appropriated in the budget of the DSWD under the General Appropriations Act
14 (GAA).

15 **SEC. 10. Implementing Rules and Regulations.** – The lead implementing agency, DSWD,
16 in consultation with the DOH, DepEd, and Department of Interior and Local Government
17 (DILG), shall, within ninety (90) days from the effectivity of this Act, formulate and promulgate
18 the rules and regulations which shall guide the program's implementation and carry out the
19 provisions of this Act.

20 **SEC. 11. Separability Clause.** – If, for any reason, any provision of this Act or any part
21 thereof shall be held unconstitutional and invalid, the other parts or provisions of this Act, which
22 are not affected thereby, shall remain in full force and effect.

23 **SEC. 12. Repealing Clause.** – All laws, decrees, resolutions, orders or ordinances or parts
24 thereof inconsistent with this Act, are hereby repealed, amended or modified accordingly.

25 **SEC. 13. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
26 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,