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SENATE

Senate Bill No. 2960

RECEIVED BY: 

Introduced by **Senator Teofisto "TG" Guingona III**

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

EXPLANATORY NOTE

While the adverse effects of the recent economic downturn in the Philippines appeared milder than that of the Asian financial crisis in the late 90s, it should be emphasized that even when there is no global or regional crisis, households, especially the poor ones, are subject to risks and shocks of various kinds. For example, in a non-crisis year like 2004, 54 percent of Filipino households were worse off because of the higher price of food, 19 percent because of reduced income; 8 percent because of job loss; and 3 percent because of natural disasters (Annual Poverty Indicator Survey, 2004).

With the looming threat of the adverse effects of climate change governments are called to strengthen their social protection and safety net programs. Taking such action is also a way to make growth inclusive since, in general, social protection programs cushion households from shocks, help minimize disruptions to income and prevent adverse coping behaviors that tend to erode human capital and perpetuate poverty. Sans the appropriate safety nets, households attempt to stay afloat amid a crisis by increasing working hours, changing eating patterns and reducing spending on education and health, which can lead to greater destitution in the long run (World Bank, 2010).

By estimates, about 45 percent of Filipinos are vulnerable to falling into poverty if confronted by shocks such as health problems and deaths, loss of employment, natural disasters and increasing food prices. Since poverty reduction has been the battle cry of most of previous administrations, the Philippines is never short of poverty alleviation efforts, which include social protection and safety net programs. However, it was found out that the Philippines has been ineffective in preventing poverty increases during recessions or calamities primarily due to inadequate targeting, uncoordinated and fragmented provision of social protection services, and unsound policies.

With the country's high levels of chronic poverty, experts emphasized the urgent need for a social protection program that will provide cash transfers to address the

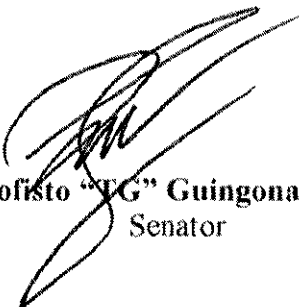
immediate needs of the chronically poor. Moreover, the social protection program should also provide adequate incentive for households to invest more in the education and health of their children because that is the only way they would be able to escape the poverty trap

Of the programs assessed by Prof. Rosario Manasan (2009), the 4Ps was found to hold much promise in effectively addressing the chronic needs of the poor. Manasan's findings are consistent with the impressive outcomes of CCT programs such as Oportunidades in Mexico, Bolsa Escola and Bolsa Familia in Brazil, Red de Proteccion Social in Nicaragua, Programa de Asistencia Familiar in Honduras, Program of Advancement through Health and Education in Jamaica, Food-for-Education in Bangladesh and Subsidio Unico Familiar in Chile (de Janvry and Sadoulet, 2006). Following the success stories in Latin America, CCT programs are now regarded as a leading-edge social policy tool because of their ability to influence both the income of the poor in the short run and to improve their human capabilities in the medium and long run. The said programs have also been lauded for their ability to target the poor and easily integrate different types of social services such as education, health, and nutrition; and for their cost effectiveness (Son, 2008).

Despite the promising results, the CCT program in the Philippines known as the Pantawid Pamilyang Pilipino Program (4Ps) may be subject to discontinuance by future administrations 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.

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



Teofisto "TG" Guingona III
Senator

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*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 2015"
3

4 **SEC. 2. Declaration of Policy.** - It is the declared policy of the State to promote the
5 development of human capital among Filipino families, especially on young children.
6 Towards this end, interventions necessary to break the intergenerational cycle of
7 poverty among poor households caused by low schooling and high malnutrition rate
8 must be set in place.
9

10 **SEC. 3. Objectives.** - Pursuant to the government's commitment to promote inclusive
11 growth and provide social assistance and development to its citizens, this Act aims to:
12

- 13 a. Improve preventive health care of pregnant women and young children;
- 14 b. Increase enrollment and/or attendance of children in elementary and secondary
15 levels;
- 16 c. Reduce incidence of child labor,
- 17 d. Improve maternal health;
- 18 e. Encourage parents to invest in their own and their children's future, and
19
- 20 f. Encourage parents' participation in the growth and development of young
21 children, as well as involvement in the community.
22
23
24
25
26

1 **SEC. 4. Eligible Beneficiaries** - To be eligible for the cash grants, households must
2 meet the following criteria.

- 3
4 a. Belong to the extremely poor household classification as defined by the
5 poverty threshold of the municipality/province based on the issuance of the
6 National Statistical and Coordination Board (NSCB) at the time of selection;
7
8 b. Have members who are aged 0 to 18 years old; or a member who is pregnant
9 at the time of registration into the program;

10
11 Once eligible beneficiaries are defined, the beneficiary households are selected
12 through the use of the Proxy Means Test (PMT) from the information gathered in a
13 Household Survey Assessment Tool to be conducted by the Department of Social
14 Welfare and Development (DSWD).

15
16 A Mediation Committee composed of representatives of a Local Government Unit
17 (LGU) concerned and the DSWD will be set up in the event of disputes on the
18 inclusion or exclusion of eligible household on the list of beneficiaries.

19
20 **SEC. 5. Program Grants.** - Selected beneficiary households shall receive cash grants
21 for at least one of two components: health/nutrition and/or education

22
23 The health/nutrition grant component aims to promote healthy practices and family
24 development, improve the nutritional status of young children, and increase the use of
25 health services by the beneficiary household. The health grant is a fixed amount and
26 does not depend on the number of members in the household.

27
28 The education grant component is given to a maximum of three children in the
29 beneficiary household, aged 3 to 18 years old. In the event that the child is already
30 above 18 years old but is enrolled in or still wishes to continue his/her elementary or
31 secondary education, he/she shall be provided with the education grant until senior
32 high school is completed.

33
34 The amounts for each component shall be determined by the DSWD, in consultation
35 with the Department of Budget and Management (DBM), taking into account the
36 current needs for health and education.

37
38 These grants are to be released on a quarterly basis to the beneficiary households for
39 the duration of their participation in the program, subject to their compliance with the
40 program conditionalities provided under Section 6 of this Act.

41
42 **SEC. 6. Program Conditionalities.** - Beneficiary households must comply with
43 specific health and education conditionalities in order to continue receiving the cash
44 grants provided in Section 5 of this Act.

45
46 To continue availing of the grants the following requirements must be met:

- 47
48 a. Children who receive education grants must be enrolled in a day care/pre-
49 school program, elementary or secondary school and maintain a class
50 attendance rate of 85 percent per month;

- 1 b Children aged 0 to 6 years old must visit health centers to avail of health
2 services in prescribed by the Department of Health (DoH),
3
- 4 c. Children aged 6 years old and above must take de-worming pills twice a year
5 at schools,
6
- 7 d. Pregnant women must have at least one pre-natal consultation each trimester
8 during the pregnancy and delivery must be assisted by skilled health
9 personnel;
10
- 11 e. All household grantees must attend Family Development Sessions (FDS) at
12 least once a month, and parents render twelve hours of community service
13 each month
14

15 **SEC. 7. Forfeiture of Grant.** - The payment of cash grants will be terminated upon
16 the following instances:

- 17
- 18 a. A beneficiary household no longer meets the eligibility criteria provided in
19 Section 4 of this Act,
20
- 21 b. Non-compliance with the conditions set forth in Section 6 of this Act.
22

23 If a beneficiary household is found to be non-compliant with the conditionalities in a
24 particular month, the cash grant will not be paid for that month. However, third
25 offense of non-compliance will result in termination of payments and temporary
26 suspension from the program.
27

28 **SEC. 8. Additional Prohibition.** Pawning of the ATM card (by which the cash
29 grants are received) by a beneficiary to another individual is prohibited. Upon
30 verification, the DSWD shall stop payment of cash grant for the month that the ATM
31 card was pawned.
32

33 **SEC. 9. Program Monitoring and Evaluation.** - The DSWD, together with the
34 DOH and the Department of Education (DepEd), shall conduct a periodic impact
35 evaluation study to assess the overall effectiveness of the program in meeting its
36 health and education objectives, and to address leakages to further improve the
37 delivery of the program. The Secretary of DSWD shall furnish a copy of the results of
38 the study to Congress.
39

40 **SEC. 10. Grievance Redress System.** – The DSWD shall develop a Grievance
41 Redress System that will address complaints regarding the implementation of the
42 program.
43

44 **SEC. 11. Appropriations.** - The funds necessary for the full implementation of this
45 Act shall be annually appropriated in the budget of the DSWD under the General
46 Appropriations Act (GAA)
47

48 **SEC. 12. Implementing Rules and Regulations.** - The lead implementing agency,
49 DSWD, in consultation with the DOI, DepEd, and Department of Interior and Local
50 Government (DILG), shall, within ninety (90) days from the effectivity of this Act,

1 formulate and promulgate the rules and regulations which shall guide the program's
2 implementation and carry out the provisions of this Act.

3
4 **SEC. 13. Separability Clause** - If, for any reason, any provision of this Act or any
5 part thereof shall be held unconstitutional and invalid, the other parts or provisions of
6 this Act, which are not affected thereby, shall remain in full force and effect.

7
8 **SEC. 14. Repealing Clause.** - All laws, decrees, resolutions, orders or ordinances or
9 parts thereof inconsistent with this Act, are hereby repealed, amended or modified
10 accordingly.

11
12 **SEC. 15. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its
13 publication in the Official Gazette or in at least two (2) newspapers of general
14 circulation.

Approved,