

FIFTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

OFFICE

10 JUL -6 110:30

SENATE

S. No. 276

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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### Explanatory Note

Statistics show that 36.8% of the Philippine population subsists below the national poverty line.<sup>1</sup> Worse, the incidence of child malnutrition in the Philippines stands at 30% of all children under 5 years old.<sup>2</sup> This means that around five million Filipino children are suffering from malnutrition.

Our national hero Dr. Jose Protacio Rizal once said that:

*"[The youth is the hope of our Fatherland".*

With Filipino children literally dying from extreme poverty, hunger and malnutrition, the future of the Philippines is clearly in grave peril.

The passage of Republic Act 8425<sup>3</sup> otherwise known as the "Social Reform and Poverty Alleviation Act" is a step towards the right direction. However, considering the fact that the said law is actually focused on social reform and long term development, the National Anti-Poverty Commission (NAPC), which was created as a coordinating body under the law, is apparently not equipped to immediately address the problem.

The problem of extreme poverty, child malnutrition and hunger is not a problem requiring strategic or long term solutions only. The problem is here and we must provide immediate remedies and short-term solutions now. It is time we stop paying lip service to this grave national problem and to put our money where our mouth is, so to speak.

Indeed, it is not enough that we adopt a long-term strategy to combat child malnutrition and extreme poverty. In the long-run, many of these children will be dead! Hence, there is an imperative necessity for the Government to immediately act on this problem.

This Bill aims to provide significant and continuing intervention by Government into this grave problem by providing literally billions of pesos annually to fund school and community-based supplemental feeding programs and related poverty alleviation efforts using the minimum basic needs (MBN) approach among the poorest of the poor communities in the country.

The Bill aims to harness the revenue-earning potential of at least two (2) controversial Government-Owned or Controlled Corporations (GOCCs), in particular the Philippine Games and Amusement Corporation (PAGCOR) and the Philippine Charity Sweepstake Office (PCSO),

<sup>1</sup> Asian Development Bank (ADB) Database and Development Indicators.

<sup>2</sup> ADB Poverty and Inequality Indicators (Principal Source: National Statistics Coordinating Board: 1997 Philippine Poverty Statistics).

<sup>3</sup> Effective 30 June 1998.

among others, and using the same to fund the poverty alleviation efforts of the Government. In the end, this Bill will not only provide much needed funds to a worth-while cause, it will also serve to provide redeeming social value for these two (2) controversial GOCCs.

The Bill is expected to generate billions of pesos to help ameliorate if not totally put a stop to the prevalence of child malnutrition in the country.

The immediate passage of this Bill is, therefore, earnestly sought.



**ANTONIO "SONNY" F. TRILLANES IV**  
Senator

FIFTEENTH CONGRESS OF THE )  
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SENATE

S. No. 276

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

**AN ACT**

**CREATING A SPECIAL POVERTY ALLEVIATION FUND TO BE USED TO FINANCE SCHOOL AND COMMUNITY-BASED SUPPLEMENTAL FEEDING PROGRAMS AND RELATED POVERTY ALLEVIATION EFFORTS USING THE MINIMUM BASIC NEEDS (MBN) APPROACH IN THE POOREST OF THE POOR COMMUNITIES IN THE COUNTRY AND FOR OTHER RELATED PURPOSES**

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

1       **SECTION 1. Short Title.** This law shall be known as the "*Poverty Alleviation Fund of*  
2       *2010*".

3  
4       **SEC. 2. Declaration of Policy.** It is the policy of the State to promote a just and dynamic  
5       social order that will ensure the prosperity and independence of the nation and free the people  
6       from poverty through policies that provide adequate social services, promote full employment, a  
7       rising standard of living, and an improved quality of life for all [Section 9, Article 11, 1987  
8       Philippine Constitution].

9  
10       Towards this end and to help combat the growing problem of malnutrition, hunger and abject  
11       poverty particularly among children, the Government shall institute a systematic and well-  
12       studied direct intervention program by conducting sustained supplemental feeding targeting  
13       school children, out-of-school youth and children of pre-schooling age as well as related poverty-  
14       alleviation efforts using the basic human needs approach, particularly among those belonging to  
15       the poorest of the poor or the lowest twenty percent (20%) of Philippine social strata in terms of  
16       income and resources.

1           **SEC. 3. *Creation of A Special Poverty Alleviation Fund.*** - There is hereby created a  
2 Special Poverty Alleviation Fund ("*Fund*") to be funded from the sources provided herein below  
3 and to be managed and administered by the National Anti-Poverty Commission (NAPC) under a  
4 Program to be implemented by the Department of Social Welfare and Development (DSWD).

5  
6           **SEC. 4. *Sources of the Fund.*** - The Fund shall be constituted from the following  
7 sources:

8  
9           (a) Ten percent (10%) share from the net income of the Philippine Games and Amusement  
10 Corporation (PAGCOR), to be given and delivered by PAGCOR to the NAPC on a quarterly  
11 basis, no later than ninety (90) days after the end of each quarter, subject to final accounting  
12 and/or adjustments at the end of each calendar year;

13  
14           (b) Ten percent (10%) share from the net income of the Philippine Charity Sweepstakes Office  
15 (PCSO), to be given and delivered by PAGCOR to the NAPC on a quarterly basis, no later than  
16 ninety (90) days after the end of each quarter, subject to final accounting and/or adjustments at  
17 the end of each calendar year;

18  
19           (c) Ten percent (10%) share from the net profits of all Duty Free Shops (DFS) or, in case of the  
20 privatization of the DFS, twenty percent (25%) of the proceeds of privatization of DPS plus fifty  
21 percent (50%) of the franchise tax collected thereon.

22  
23           The Department of Finance, through its appropriate agencies, is hereby mandated to ensure the  
24 proper collection of the shares and/or charges intended for the Fund from the sources provided  
25 herein and to turn-over the same quarterly to the NAPC through the DSWD.

26  
27           **SEC. 5. *Authorized Use of the Fund; The Program*** The Fund shall principally be used  
28 to finance the National Supplemental Feeding and Poverty Alleviation Program ("*Program*").  
29 The Program shall provide for the generation of an annual listing of priority or target schools,

1 communities, barangays and/or other localities where the Government shall undertake direct  
2 feeding and/or supplemental feeding activities on a sustained basis targeting school children, out-  
3 of-school youth and children of pre-school ages who belong to the poorest of the poor or the  
4 lowest twenty percent (20%) of the Philippine social strata in terms of income or financial  
5 resources. The Program shall also incorporate other poverty-alleviation efforts using the  
6 minimum basic needs (MBN) approach targeted at poor communities.

7  
8 The Program shall be prepared by the DSWD for the approval of the NAPC. The Program shall  
9 likewise be implemented by the DSWD.

10  
11 In connection with the foregoing, subject to the approval of NAPC, the DSWD shall:

12  
13 (a) Devise and formulate plans, strategies and programs to carry out effectively and efficiently  
14 the disposition of the Fund in accordance with declared purpose thereof;

15  
16 (b) Direct the management, operations and administration of the Fund;

17  
18 (c) Authorize expenditures of the Fund as are in accordance with the purpose for which it was set  
19 up; and

20  
21 (d) Exercise such other powers as may be necessary to accomplish the purpose for which the  
22 Fund was created.

23  
24 **SEC. 6. *Limitations.*** The Fund shall not be used for any purpose other than to finance the  
25 feeding and/or supplemental feeding program of the Government, as prepared by the DSWD and  
26 approved by the NAPC. Moreover, no more than three percent (3%) of the proceeds of the Fund  
27 may be used for administrative purposes.

1           **SEC. 7. Administration and Control of the Fund** The Fund shall be under the control of  
2 the DSWD, which shall administer the same in accordance with the above stated powers,  
3 functions and limitations.

4  
5           **SEC. 8. Investment of the Fund** Any portion of the Fund not otherwise disposed of as  
6 provided for in this Act shall be invested in government securities and such other high-yielding  
7 securities as determined by the DSWD, upon approval of the NAPC. The earnings therefrom  
8 shall accrue to the Fund.

9  
10          **SEC. 9. Audit.** The Chairman of the Commission on Audit (COA) shall act as the *ex-*  
11 *officio* auditor of the Fund.

12  
13          **SEC. 10. Annual Report.** The Secretary of the DSWD shall submit, within fifteen (15)  
14 working days from the opening of the regular session of Congress, to the President of the  
15 Philippines as NAPC Chair and to the Presiding Officers of both Houses of Congress, an annual  
16 report which shall include an account of the program, projects and detailed expenses undertaken  
17 pursuant to this Act.

18  
19          **SEC. 11. Penal Clause.** Any person who fails or refuses to turn over collections of the  
20 charges or shares mentioned in this Act within the period prescribed herein, or who delays,  
21 obstructs or prevents the same; or who fails or refuses to effect release from the Fund, or who  
22 obstructs, or prevents the same: or who orders, causes, or effects the transfer or diversion of the  
23 collections of this Fund shall be punished with a fine not exceeding one hundred thousand pesos  
24 (P100,000.00) or imprisonment not exceeding six (6) years, or both at the discretion of the Court.  
25 If the offender is a government official or employee, he shall, in addition, be dismissed from the  
26 service with prejudice to reinstatement and with disqualification for election or appointment to  
27 any public office. If the offender is a corporation or any other juridical entity, the penalty  
28 provided herein shall be imposed on its directors or officers who may be responsible for the  
29 violation.

1           **SEC. 12. Rules and Regulation.** The Secretary of the DSWD in consultation with the  
2 NAPC shall promulgate the rules and regulation relating to the collection and remittance of the  
3 revenue sources accruing to the Fund as may be necessary for the effective implementation of  
4 this Act.

5  
6           **SEC. 13. Separability Clause.** - The provisions of this Act are hereby declared to be  
7 separable, and in the event that any part, section or provision of this Act is held invalid or  
8 unconstitutional, no other part or section or provision thereof shall be affected thereby.

9  
10           **SEC. 14. Repealing Clause.** The pertinent provisions of the National Internal Revenue  
11 Code, as amended, the charters of the PAGCOR and PCSO, as amended, and any other  
12 provisions of law, decree, executive order, letter of instructions, rule or regulation or parts  
13 thereof that are in conflict with any provisions of this Act are hereby repealed, amended or  
14 modified accordingly.

15  
16           **SEC. 15. Effectivity.** This Act shall take effect fifteen (15) days following the completion  
17 of its publication in the Official Gazette and in two newspapers of general circulation in the  
18 Philippines.

Approved,