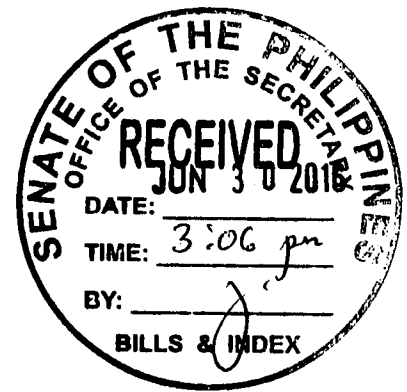


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



SENATE

S. No. 65

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Introduced by Senator Ralph G. Recto

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**AN ACT**  
**INSTITUTIONALIZING A CONDITIONAL CASH TRANSFER PROGRAM,**  
**PROVIDING FOR THE AUTOMATIC INDEXATION OF CASH GRANTS AND FOR**  
**OTHER PURPOSES**

**Explanatory Note**

The *Pantawid Pamilyang Pilipino* Program (4Ps), a form of conditional cash transfer (CCT), is now on its 8<sup>th</sup> year of implementation. Operating in 17 regions in the Philippines, spanning 79 provinces, 143 cities, and 1,484 municipalities, the number of families who benefit from the said program has now reached 4,436,732; including 10,888,887 school children aged 0 to 18.<sup>1</sup>

The program provides financial support to poor families, on condition that there will be investments in the education and health of children aged 0 to 18. It has been the mission of the government that with the help of 4Ps, children of beneficiary families will be provided with the necessary faculties that will help them break free from intergenerational poverty—keeping their health in check and their education unhampered by forced employment to help augment what little income their parents earn.

Findings from an Impact Evaluation on the Program have shown that with regard to education, there has been increased enrollment among children aged 3 to 11, and increased attendance among children aged 6 to 17—resulting in near universal enrollment at 98% in this age group.<sup>2</sup> Meanwhile for health, there has been a 10% reduction in severe stunting among children aged 6 to 36 months; the reduction in stunting is expected to yield long term results, as stunting in the first few years of a child's life has been linked to lower educational attainment and reduced adult income.<sup>3</sup> Healthcare-seeking behaviors have also been observed among beneficiary families when a child falls ill.

The impact evaluation on the program has also noted a change in spending patterns of beneficiary families, who have been spending more on health and education as opposed to poor families who are not covered by the program<sup>4</sup>.

Since the launch of the program, an overall increase in the general price level has been sustained as measured by the Consumer Price Index (CPI). The CPI was at an average of 111.4 when the 4Ps was launched in 2008, increasing to 142.3 in 2015.<sup>5</sup> This resulted in an annual average inflation rate of 4.07% for the period. Moreover, food inflation averaged 5.8%<sup>6</sup> during

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<sup>1</sup> Pantawid Pamilyan Pilipino Program. <http://www.gov.ph/programs/conditional-cash-transfer/>

<sup>2</sup> The World Bank Philippines Conditional Cash Transfer Program Impact Evaluation 2012 (revised April 2014)

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Consumer Price Index for all Income Households and Headline Inflation Rates Jan 2004 – November 2015.

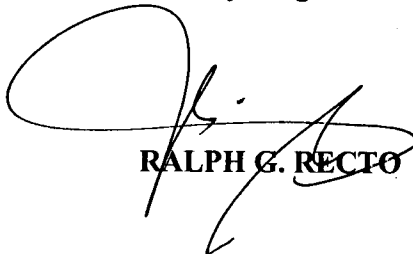
[http://www.nscb.gov.ph/secstat/d\\_price.asp](http://www.nscb.gov.ph/secstat/d_price.asp)

<sup>6</sup> Inflation Rates by Commodity Group [http://www.bsp.gov.ph/statistics/efs\\_prices.asp](http://www.bsp.gov.ph/statistics/efs_prices.asp)

the same period, which may affect the poor more as they spend a larger share of their household budget on food. Despite the sustained increase in prices of commodities, the amount granted to beneficiary families has remained the same at P500 per household every month for the health grant, and P300 per child every month for the education grant. If the cash grant is maintained at its current amount, without due consideration for inflation, the real value of these grants will decrease over time, and may be insufficient for household spending. This could leave parents with no other recourse than to urge children to help out in generating income rather than finish schooling, which in turn could potentially push back poor families into the cycle of intergenerational poverty.

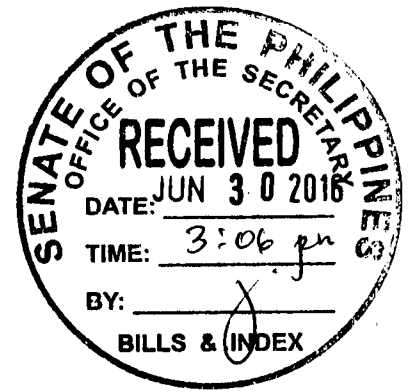
In order to sustain the continuous benefits from this program beyond changes in administrations, institutionalizing the 4Ps is imperative. The program plays a critical role in poverty alleviation and in the development of human capital, but its value in addressing the issue of poverty can be eroded if the amount given to eligible families remains stagnant amidst rapid increases in cost of living. This amount must be automatically reviewed and adjusted every 6 years to account for changes in the cost of living without need for further legislative action.

In light of the foregoing, the approval of this bill is earnestly sought.



**RALPH G. RECTO**

SEVENTEENTH CONGRESS OF THE )  
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**OTHER PURPOSES**

*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 2016*”.

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 or province based on the  
21           issuance of the Philippine Statistical Authority (PSA) at the time of  
22           selection; or those households from the informal settlers sector, who will  
23           be displaced by the clearing and relocation operations of the government:  
24           *Provided, That those residing in danger areas like esteros, riverbanks,*

1 waterways, shorelines, garbage dumps, and railroad tracks shall be given  
2 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: *Provided*, That every six (6) years after the effectivity of this Act, the cash  
23 grant shall be reviewed and adjusted to its present value using the Consumer Price Index, as  
24 published by the Philippine Statistics Authority.

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

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

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

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

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

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

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

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

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

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

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

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

Approved,