

SENATE

S. No. 548

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

EXPLANATORY NOTE

Official statistics showed that over the past six years, economic growth hardly made a dent in poverty incidence in the Philippines, as the percentage of Filipinos living below the poverty line remained practically the same between 2006 and 2012¹. National Statistical Coordination Board (NSCB) reported that poverty incidence stood at 27.9% in the first semester of 2012 - practically unchanged from the same period in 2009 and 2006, which is 28.6% and 28.8% respectively².

Reports have shown that over half a million school-aged children nationwide have been suffering from severe malnutrition. According to the Department of Education, 562,262 pupils in kindergarten and elementary levels currently enrolled in public schools are considered severely wasted³. 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 84253⁴ 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.

¹ Information retrieved from <http://newsinfo.inquirer.net/396237/ph-poverty-unchanged> on 20 June 2013.

² *Ibid.*

³ Information retrieved from <http://www.gmanetwork.com/news/story/296884/news/specialreports/more-than-half-million-pinoy-kids-suffer-from-severe-malnutrition> on 20 June 2013

⁴ Effective 30 June 1998.

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. It is expected that through this measure, billions of pesos will be generated 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



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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*
2 *of 2016*".
3

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

10 Towards this end and to help combat the growing problem of malnutrition, hunger
11 and abject poverty particularly among children, the Government shall institute a systematic
12 and well-studied direct intervention program by conducting sustained supplemental feeding,
13 targeting school children, out-of-school youth and children of pre-schooling age as well as
14 related poverty-alleviation efforts using the basic human needs approach, particularly among
15 those belonging to the poorest of the poor or the lowest twenty percent (20%) of Philippine
16 social strata in terms of income and resources.
17

18 **SEC. 3. Creation of a Special Poverty Alleviation Fund.** - There is hereby created a
19 Special Poverty Alleviation Fund ("Fund") to be funded from the sources provided herein
20 below and to be managed and administered by the National Anti-Poverty Commission
21 (NAPC) under a Program to be implemented by the Department of Social Welfare and
22 Development (DSWD).
23

24 **SEC. 4. Sources of the Fund.** - The Fund shall be constituted from the following
25 sources:

- 1
2 (a) Ten percent (10%) share from the net income of the Philippine Games and
3 Amusement Corporation (PAGCOR), to be given and delivered by PAGCOR to
4 the NAPC on a quarterly basis, no later than ninety (90) days after the end of each
5 quarter, subject to final accounting and/or adjustments at the end of each calendar
6 year;
7
8 (b) Ten percent (10%) share from the net income of the Philippine Charity
9 Sweepstakes Office (PCSO), to be given and delivered by PAGCOR to the NAPC
10 on a quarterly basis, no later than ninety (90) days after the end of each quarter,
11 subject to final accounting and/or adjustments at the end of each calendar year;
12 and
13
14 (c) Ten percent (10%) share from the net profits of all Duty Free Shops (DFS) or, in
15 case of the privatization of the DFS, twenty percent (25%) of the proceeds of
16 privatization of DFS plus fifty percent (50%) of the franchise tax collected
17 thereon.
18

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

23 **SEC. 5. Authorized Use of the Fund; The Program** - The Fund shall principally be
24 used to finance the National Supplemental Feeding and Poverty Alleviation Program
25 ("Program"). The Program shall provide for the generation of an annual listing of priority or
26 target schools, communities, barangays and/or other localities where the Government shall
27 undertake direct feeding and/or supplemental feeding activities on a sustained basis targeting
28 school children, out-of-school youth and children of pre-school ages who belong to the
29 poorest of the poor or the lowest twenty percent (20%) of the Philippine social strata in terms
30 of income or financial resources. The Program shall also incorporate other poverty-alleviation
31 efforts using the Minimum Basic Needs (MBN) approach targeted at poor communities.

32 The Program shall be prepared by the DSWD for the approval of the NAPC. The
33 Program shall likewise be implemented by the DSWD.
34

35 In connection with the foregoing, subject to the approval of NAPC, the DSWD shall:
36

- 37 (a) Devise and formulate plans, strategies and programs to carry out effectively and
38 efficiently the disposition of the Fund in accordance with declared purpose
39 thereof;
40
41 (b) Direct the management, operations and administration of the Fund;
42

1 (c) Authorize expenditures of the Fund as are in accordance with the purpose for
2 which it was set up; and
3

4 (d) Exercise such other powers as may be necessary to accomplish the purpose for
5 which the Fund was created.
6

7 **SEC. 6. *Limitations.***- The Fund shall not be used for any purpose other than to
8 finance the feeding and/or supplemental feeding program of the Government, as prepared by
9 the DSWD and approved by the NAPC. Moreover, no more than three percent (3%) of the
10 proceeds of the Fund may be used for administrative purposes.
11

12 **SEC. 7. *Administration and Control of the Fund.***- The Fund shall be under the
13 control of the DSWD, which shall administer the same in accordance with the above stated
14 powers, functions and limitations.
15

16 **SEC. 8. *Investment of the Fund.*** - Any portion of the Fund not otherwise disposed of
17 as provided for in this Act shall be invested in government securities and such other high-
18 yielding securities as determined by the DSWD, upon approval of the NAPC. The earnings
19 therefrom shall accrue to the Fund.
20

21 **SEC. 9. *Audit.***- The Chairman of the Commission on Audit (COA) shall act as the ex-
22 officio auditor of the Fund.
23

24 **SEC. 10. *Annual Report.*** - The Secretary of the DSWD shall submit, within fifteen
25 (15) working days from the opening of the regular session of Congress, to the President of the
26 Philippines as NAPC Chair and to the Presiding Officers of both Houses of Congress, an
27 annual report which shall include an account of the program, projects and detailed expenses
28 undertaken pursuant to this Act.
29

30 **SEC. 11. *Penal Clause.***- Any person who fails or refuses to turn over collections of
31 the charges or shares mentioned in this Act within the period prescribed herein, or who
32 delays, obstructs or prevents the same; or who fails or refuses to effect release from the Fund,
33 or who obstructs, or prevents the same; or who orders, causes, or effects the transfer or
34 diversion of the collections of this Fund shall be punished with a fine not exceeding One
35 hundred thousand pesos (P 100,000.00) or imprisonment not exceeding six (6) years, or both
36 at the discretion of the Court. If the offender is a government official or employee, he shall, in
37 addition, be dismissed from the service with prejudice to reinstatement and with
38 disqualification for election or appointment to any public office. If the offender is a
39 corporation or any other juridical entity, the penalty provided herein shall be imposed on its
40 directors or officers who may be responsible for the violation.
41

42 **SEC. 12. *Rules and Regulation.***- The Secretary of the DSWD, in consultation with
43 the NAPC, shall promulgate the rules and regulation relating to the collection and remittance

1 of the revenue sources accruing to the Fund as may be necessary for the effective
2 implementation of this Act.

3
4 **SEC. 13. *Separability Clause.*** - The provisions of this Act are hereby declared to be
5 separable, and in the event that any part, section or provision of this Act is held invalid or
6 unconstitutional, no other part, section or provision thereof shall be affected thereby.

7
8 **SEC. 14. *Repealing Clause.***- The pertinent provisions of the National Internal
9 Revenue Code, as amended, the charters of the PAGCOR and PCSO, as amended, and any
10 other provisions of law, decree, executive order, letter of instructions, rule or regulation or
11 parts thereof that are in conflict with any provisions of this Act are hereby repealed, amended
12 or modified accordingly.

13
14 **SEC. 15. *Effectivity.*** - This Act shall take effect fifteen (15) days following the
15 completion of its publication in the Official Gazette and in two (2) newspapers of general
16 circulation in the Philippines.

Approved,