

SENATE
S.B. No. 1877

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Introduced by Senator Grace Poe

**AN ACT TO
EXPAND THE CONDITIONAL CASH TRANSFER PROGRAM, APPROPRIATING
FUNDS THEREFOR, AND FOR OTHER PURPOSES**

Explanatory Note

In a recent survey by the Social Weather Surveys (SWS), it was found that self-rated poverty among Filipinos rose to 46% in 2017, a two-point increase from 44% in 2016.¹ Meanwhile, self-rated food poverty was recorded at 33%, two points above the record-low of 31% in 2016.

Such oscillations in self-rated poverty ratings point to the dynamics of poverty in the country. Decreases in poverty are rarely sustainable over time. This gives credence to the findings of a paper published by the Philippine Institute for Development Studies (PIDS),² which concluded that there is a distinction between the chronic and the transient poor. "Chronic poor" are those that are consistently income poor, while "transient poor" refers to those who move in and out of poverty.

To demonstrate this concept, the paper estimates that 47.4% of those who were poor from 2003 to 2009 were "chronic poor". The remaining 52.6% were "transient poor" or had moved in and out of the poverty during that time. This would imply that there are different poverty "demographics" which need different policy interventions. Or, as the paper states, there is a need for social security measures which are "intermittent in nature but are widely and easily accessible by both poor and non-poor households."

¹ <https://www.sws.org.ph/swsmain/artclisppage/?artcsyscode=ART-20180116180434>

² Reyes, C. Tabuga, A. *et. al.* "Dynamics of Poverty in the Philippines: Distinguishing the Chronic from the Transient Poor" Discussion Paper Series No. 2011-31. Retrieved from <https://dirp4.pids.gov.ph/ris/dps/pidsdps1131.pdf>

Policy makers must provide a basic guarantee of social security to all Filipinos, especially the poor and the marginalized. The International Labor Organization (ILO) refers to this mechanism as a "social protection floor", which are "...nationally defined sets of basic social security guarantees that should ensure, as a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level."³

The Conditional Cash Transfer program is one pillar of our social security mechanisms. Derided by critics as a "dole-out" which promotes "mendicancy", the evidence shows that the program has increased school participation rates and health outcomes among its beneficiaries and their children.

This measure seeks to institutionalize and expand the Conditional Cash Transfer program. Under this bill, eligible beneficiaries shall receive a Maternal, Infant and Child Health grant of at least Php 1,000 and an educational grant of at least Php 500 per child per beneficiary family. These amounts shall be revised every 6 years to account for inflation.

As an innovation, the bill adds a "convergence" clause in which beneficiaries of the program shall be enrolled and covered under the National Health Insurance program of the Philippine Health Insurance Corporation (PhilHealth) and shall be provided with micro-insurance mechanisms under the Social Security System (SSS). It also includes a "graduation" clause in which the DSWD, DOLE, TESDA, and stakeholders from the private and non-government sectors shall facilitate employment for program beneficiaries.

This measure also provides for the non-diminution of benefits. This means that the Act cannot be construed to reduce existing benefits granted under existing laws, decrees, executive orders, or any contract, agreement, or policy between the employer and employee.

Finally, the bill seeks to prohibit government officials from using the Program for partisan political activity. Government officials who violate this prohibition shall, upon conviction, suffer the penalty of imprisonment of six (6) months to one (1) year and/or a fine of not less Fifty Thousand Pesos (Php 50,000.00) to One Hundred Thousand Pesos (Php 100,000.00), at the discretion of the court, and without prejudice to further prosecution and conviction under other administrative and criminal laws.

³ <http://www.ilo.org/secsoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang--en/index.htm>

In view of the above considerations, and the directive under Article II, Section 9 of the 1987 Philippine Constitution directs the State to "...promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty"⁴, speedy approval of this measure is eagerly sought.


GRACE POE

⁴ Article II, Section 9, 1987 Philippine Constitution.

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AN ACT
TO EXPAND THE CONDITIONAL CASH TRANSFER PROGRAM,
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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

ARTICLE I

GENERAL PROVISIONS

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3 Section 1. *Short Title.*- This Act shall be known as the "*Expanded Conditional*
4 *Cash Transfer Act of 2018*".

5 Sec. 2. *Declaration of Policy.*- The State recognizes that the establishment of
6 a national social protection floor is essential to promoting a just and dynamic social
7 order that will ensure the shared prosperity of the nation, free the people from
8 poverty, and provide an improved quality of life for all. The State further recognizes
9 the role of cash transfers in providing a pathway out of poverty and in breaking the
10 inter-generational cycle of poverty. To this end, the State hereby institutionalizes
11 and expands the Conditional Cash Transfer program as an essential mechanism in
12 promoting poverty reduction and inclusive growth.

13 Sec. 3. *Objectives.*- The Objectives of this Act are as follows:

- 14 • Provide assistance to the poor to alleviate their immediate needs;
15 • Protect the poor from the effects of inflation;
16 • Break the intergenerational cycle of poverty;

- 1 • Prevent children from leaving the school system; *and*
- 2 • Reduce maternal, infant and child mortality;

3 **ARTICLE II**

4 **THE EXPANDED CONDITIONAL CASH TRANSFER PROGRAM**

5 Sec. 4. *The Conditional Cash Transfer Program.*- In order to meet the
6 declared policy above, the Conditional Cash Transfer program, hereafter referred to
7 as "*The Program*", is hereby institutionalized. The program shall provide for the
8 following benefits:

- 9 a.) Maternal, Infant and Child Health Grant- This grant shall be an amount of
10 at least One Thousand Pesos (Php 1,000.00) per month for each eligible
11 household: *Provided*, that every five (5) years after the effectivity of this
12 Act, the cash grant shall be reviewed and adjusted to its present value
13 using the Consumer Price Index (CPI) as published by the Philippine
14 Statistics Authority (PSA);
- 15 b.) Educational Grant- This grant shall be a fixed grant of at least Five
16 Hundred Pesos (Php 500.00) for each child aged 3 to 18 years old in every
17 eligible household: *Provided*, that the grant shall be given to a maximum
18 of three (3) children per household: *Provided further*, that every five (5)
19 years after the effectivity of this Act, the cash grant shall be reviewed and
20 adjusted to its present value using the Consumer Price Index (CPI) as
21 published by the Philippine Statistics Authority (PSA);
- 22 c.) Skills and Livelihood Training and Employment Facilitation- The
23 Department of Social Welfare and Development (DSWD), in coordination
24 with the Department of Labor and Employment (DOLE), the Technical
25 Skills and Development Authority (TESDA), and qualified private and civil
26 society organizations (CSOs) shall also provide for livelihood training and
27 employment facilitation programs for the eligible and compliant
28 beneficiaries of this Act.
- 29 d.) Convergence of Social Services.- Beneficiaries of the program shall also be
30 automatically enrolled and covered under the National Health Insurance
31 program of the Philippine Health Insurance Corporation (PhilHealth). The
32 Social Security System (SSS) shall also provide micro-insurance

1 mechanisms to beneficiaries of the program. The DSWD shall coordinate
2 with PhilHealth and the SSS to implement this provision.

3
4 *Provided*, that in order to avail of the benefits under this Act, the beneficiary
5 must meet the eligibility requirements under Section 6 of this Act and the
6 conditions under Section 8 of this Act: *Provided further*, that when fiscal
7 space is available, the DSWD may provide for additional grants and benefits
8 which may be necessary to achieve the objectives of this Act.

9
10 **Sec. 6. Program Eligibility.**- The following shall be eligible for the benefits
11 under this Act:

12 a.) Those identified as poor and near poor based on National Household
13 Targeting System of the DSWD, and the official poverty threshold of the city,
14 municipality or province based published by the PSA;

15 b.) Those vulnerable households who are living under precarious circumstances,
16 such as those who are members of the informal economy, informal sectors,
17 indigenous peoples, and those living in geographically isolated and
18 disadvantaged areas: *Provided*, that in including such groups in the program's
19 coverage, the DSWD shall ensure that the program is sufficiently modified
20 and adjusted for their specific needs and circumstances; *and*

21 c.) Those households which, at the time of registration with the program, have
22 members who are aged 0 to 18 years old or have members who are
23 pregnant;

24 The Department of Social Welfare and Development shall establish and
25 maintain a database of beneficiaries under this Act: *Provided*, that such
26 collection of information shall be compliant with the provisions of Republic Act
27 No. 10173, otherwise known as the "*Data Privacy Act of 2012*" and its
28 implementing rules and regulations.

29 **Sec. 7. Conditions for Retention.**- Eligible households shall comply with the
30 following conditions:

31 a.) Children zero (0) to five (5) years old must receive regular preventive
32 health check-ups and vaccinations;

1 statements or manifestations, which solely or primarily serve to campaign for or
2 against any particular political party or candidate for any elective public office.

3 Any government official who violates the preceding paragraph shall, upon
4 conviction, suffer the penalty of imprisonment of six (6) months to one (1) year
5 and/or a fine of not less Fifty Thousand Pesos (Php 50,000.00) to One Hundred
6 Thousand Pesos (Php 100,000.00), at the discretion of the court, and without
7 prejudice to further prosecution and conviction under other administrative and
8 criminal laws.

9 *Sec. 12. Appropriations.*- The amount needed for the initial implementation of
10 this Act shall be charged against the appropriations for the DSWD. Thereafter, such
11 sums as may be necessary for the continued implementation of this Act shall be
12 included in the annual General Appropriations Act.

13 *Sec. 13. Implementing Rules and Regulations.*- Within six (6) months from
14 the effectivity of this Act, the DSWD, in coordination with the DepEd, DOH, NNC,
15 PSA, PhilHealth, SSS, and DBM shall promulgate the necessary rules and regulations
16 to carry out the provisions of this Act.

17 *Sec. 14. Separability Clause.*- If any provision or part of this Act is declared
18 unconstitutional, the remaining parts or provisions not affected shall remain in full
19 force and effect.

20 *Sec. 15. Repealing Clause.*- All laws, decrees, executive orders,
21 proclamations, and administrative regulations or parts thereof inconsistent with the
22 provisions of this Act are hereby repealed or amended accordingly.

23 *Sec. 16. Effectivity Clause.*- This Act shall take effect fifteen (15) days after its
24 complete publication in the Official Gazette or in a newspaper of general circulation.

25 *Approved,*

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