

SENATE
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Introduced by **SENATOR LEILA M. DE LIMA**

**AN ACT
PROVIDING FOR A RURAL EMPLOYMENT ASSISTANCE PROGRAM
AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

Recent figures from the World Bank have ranked the Philippines as among the top growing economies in the region. Additionally, the economy is projected to continue expanding at an annual rate of 6.7 percent in both 2018 and 2019¹. Nevertheless, issues concerning the equitable distribution of income, wealth, and opportunities still linger in the wider political discourse concerning poverty and inequality in the Philippines.

Consider that, according to the Philippine Statistics Authority (PSA), poverty incidence among Filipinos in 2015 was approximately 21.6 percent which translates to roughly 21.93 million Filipinos who could not afford to buy their basic food and non-food needs necessary to maintain a decent standard of living. While these figures are already staggering in and of itself, they paint a more vivid picture when disaggregated according to region.

According to the same report, the highly urbanized areas of Region III, Region IV-A, and the National Capital Region (NCR) recorded the lowest poverty incidence rates at 11.2, 9.1 and 3.9 percent, respectively. On the other hand, Region VIII, Caraga and the ARMM all registered the highest poverty incidence rates at 38.7, 39.1 and 53.7 percent, respectively².

¹ *Philippines Economic Update: Investing in the Future*. (n.d.). Retrieved from <https://www.worldbank.org/en/country/philippines/publication/philippines-economic-update-investing-in-the-future>

² Philippine Statistics Authority. (2015). *2015 full year official poverty statistics of the Philippines*. pp. 4-6.

Unsurprisingly, most of the poorest regions in the country are composed mainly of rural and agricultural areas suffering from some combination of isolation, lack of infrastructure, lack of services, and vulnerability to natural disasters like drought and flooding. The island of Mindanao, for instance, is an underdeveloped region characterized by uneven access to basic social services and decades-long political turmoil and conflict caused by clashes between Islamic militants and government forces, among others. Its rural and primarily agricultural landscape and political instability, coupled with the State's failure to integrate its rural populations in the overall development agenda, has led to Mindanao recording five of the seven poorest regions, and a higher aggregate poverty incidence rate than the national average, per given population³.

Historically, efforts to reduce poverty incidence in urban areas vis-à-vis rural areas have resulted in the latter being left behind as poverty is increasingly becoming a rural phenomenon due to misguided poverty alleviation and reduction strategies and the overall development paradigm adopted by the government⁴. Strategic short-, medium- and long-term policy making geared towards generating sustained income and livelihood opportunities to rural, far-flung, and at times war-torn regions of the Philippines thereby reducing the vulnerabilities of rural populations and narrowing the regional poverty incidence gap should be a major concern of the administration.

One such short-term strategy is the institutionalization of cash-for-work programs. According to the Mercy Corps, "[c]ash-for-Work is a short-term intervention used by humanitarian assistance organizations to provide temporary employment in public projects (such as rehabilitating irrigation canals, clearing nurseries or re-building infrastructure) to the most vulnerable segments of a population.⁵" For instance, the International Non-Governmental Organization (INGO) Oxfam has initiated cash-for-work programs in Niger by helping farmers prepare for future droughts⁶, in the aftermath of the Haiti⁷ and Nepal⁸ earthquakes,

³ *Ibid.*

⁴ *Poverty in the Philippines: Urban and rural poverty*. (2012, January 25). Retrieved from <http://www.focusonpoverty.org/poverty-in-the-philippines-urban-and-rural-poverty/>

⁵ Mercy Corps. (2007). *Guide to cash-for-work programming*. Retrieved from <https://www.mercycorps.org/files/file1179375619.pdf>. p. 2.

⁶ *Cash for work in Niger: Helping fight future drought*. (n.d.). Retrieved from <https://www.oxfam.org/en/countries/niger/cash-work-niger-helping-fight-future-drought>

⁷ *Oxfam initiates "cash for work" program in Haiti*. (n.d.). Retrieved from <https://www.oxfam.org/en/pressroom/pressreleases/2010-01-26/oxfam-initiates-cash-work-program-haiti>

and in the conflict-ridden area of Gaza by helping families prepare for winter floods⁹. These projects have all helped the aforementioned communities by providing for a means by which to reduce their vulnerability through the enhancement of food or livelihood security as well as creating durable assets and building towards a more resilient community.

The Mercy Corps also point out that “[t]he use of cash as a relief, recovery and development tool has long been a response of functioning governments to situations such as natural disasters or economic shocks.¹⁰” India, for instance, has managed to formally institutionalize the cash-for-work mechanism when their government enacted the *National Rural Employment Act, 2005* which provides no less than one hundred (100) days of guaranteed wage employment in a financial year to every household whose adult members volunteer to perform unskilled manual work.

Locally, cash-for-work programs are implemented through the coordination, collaboration, and convergence of multiple government agencies and Local Government Units (LGUs). Some notable examples are the Department of Social Welfare and Development (DSWD) and its provision of Cash for Building Livelihood Assets (CBLA) and Cash-for-Work (CFW) projects implemented under its Sustainable Livelihood Program (SLP) and the Department of Labor and Employment (DOLE) Integrated Livelihood and Emergency Employment Program under which is the *Tulong Panghanapbuhay sa ating Disadvantaged/Displaced Workers (TUPAD)*.

Cash-for-work programs also have the distinct advantage of enabling identified communities to manage their own asset portfolios as it places greater responsibility on the people to determine for themselves which needs they should prioritize as opposed to traditionally being provided with in-kind donations which may not necessarily be reflective of their most immediate needs. Nevertheless, people’s participation in the program should not begin and end with merely being able to choose what to purchase with their hard-earned cash but rather should encompass the entirety of the processes involved in the project development cycle.

⁸ *Nepal: Helping locals rebuild community infrastructure*. (n.d.). Retrieved from <https://www.oxfam.org/en/nepal-nepal-earthquake/nepal-helping-locals-rebuild-community-infrastructure>

⁹ *Helping families in Gaza prepare for winter floods*. (n.d.). Retrieved from <https://www.oxfam.org/en/occupied-palestinian-territory-and-israel/helping-families-gaza-prepare-winter-floods>

¹⁰ Mercy Corps. (2007). *Guide to cash-for-work programming*. Retrieved from <https://www.mercycorps.org/files/file1179375619.pdf>. p. 3.

Community involvement would require developing enabling mechanisms that identified communities can utilize in order to participate in all phases of project development from participatory needs and resource assessments to participatory monitoring and evaluation and everything in between. This Act intends that the people not be perceived and treated as passive end-users of cash-for-work programs but rather as active agents who are just as capable as any “outsider” of determining which projects would bring the most benefit to their respective communities.

Moreover, cash-for-work programs should promote inclusivity and “select community work projects that benefit all members of the community and ensure women, female and male youth and other marginalized groups have a voice in project selection.”¹¹ Enabling the people most affected by the prevailing circumstances to actively participate in decision-making processes that directly affect their lives is an essential component that is outlined in this Act.


This bill seeks to co-opt and consolidate these initiatives and formally institutionalize the cash-for-work mechanism for rural areas as it sees its viability in contributing to the reduction of poverty and the promotion of inclusive and sustainable rural development across the poorest regions of the Philippines.


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¹¹ *Inclusive cash for work programs: Building a stronger, safer recovery for all.* (n.d.). Retrieved from <https://reliefweb.int/report/world/inclusive-cash-work-programs-building-stronger-safer-recovery-all>

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**AN ACT
PROVIDING FOR A RURAL EMPLOYMENT ASSISTANCE PROGRAM
AND APPROPRIATING FUNDS THEREFOR**

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

1 Section 1. *Short Title.* – This Act shall be known as the “Rural Employment
2 Assistance Program Act.”

3 Sec. 2. *Declaration of Policy.* – It is a declared policy of the State to promote a
4 just and dynamic social order that will ensure the prosperity and independence of the
5 nation and free the people from poverty through policies that provide adequate social
6 services, promote full employment, a rising standard of living, and an improved
7 quality of life for all. Towards this end, the State shall provide Filipinos with
8 opportunities for just and sufficient means of livelihood. The State shall likewise
9 initiate meaningful employment assistance programs to qualified individuals of poor
10 households in rural areas duly identified by the appropriate national agencies.

11 Sec. 3. *Rural Employment Assistance Program.* – There is hereby created a
12 Rural Employment Assistance Program (REAP), which shall provide temporary
13 employment to every qualified individual member of a poor family in rural areas who
14 volunteers to do unskilled labor for a minimum of forty-five (45) days but not more
15 than (90) days in a calendar year wherein the minimum and maximum period of
16 engagement can cover a single activity or multiple activities spread out over the
17 course of a calendar year.

18 Qualified individuals are not subject to the terms and conditions of regular
19 employment and as such, shall not be deemed to have an employer-employee

1 relationship with the Department of Social Welfare and Development (DSWD), or
2 any agency or institution who utilizes their services with respect to the Program.

3 Participants in any cash-for-work program already being implemented by the
4 DSWD shall gradually be absorbed into the REAP within one (1) year after its
5 enactment. *Provided*, That these individuals meet the necessary qualifications as
6 defined in this Act.

7 Sec. 4. *Definition of Terms.* – As used in this Act:

8 (a) *People’s Organization (PO)* – refers to *bona fide* associations of citizens
9 with demonstrated capacity to promote the public interest and with
10 identifiable leadership, membership, and structure;

11 (b) *Poor* – refers to individuals and families whose income fall below the
12 poverty threshold as defined by the government and/or cannot afford in a
13 sustained manner to provide their minimum basic needs of food, health,
14 education, housing and other essential amenities of life, or those who have
15 been identified as poor by the National Household Targeting System for
16 Poverty Reduction (NHTS-PR);

17 (c) *Qualified individual* – refers to willing and able Filipino citizens residing
18 in rural areas who are at least fifteen (15) years of age. *Provided*, That
19 individuals between the ages of fifteen (15) and eighteen (18) may only
20 qualify by first obtaining consent from their parent/s and/or legal guardian.
21 *Provided further*, That individuals who are between the ages of fifteen (15)
22 and eighteen (18) may only qualify provided they can be employed in non-
23 hazardous work environments in accordance with the Labor Code;

24 (d) *Rural area* – refers to any barangay with at least fifty percent (50%) land
25 devoted to agriculture, timberland, forest and or/pasture land as
26 determined by the Comprehensive Land Use Plan of the concerned local
27 government unit (LGU); and

28 (e) *Unskilled labor* – refers to a segment of the workforce associated with a
29 limited skill set or a minimal economic value for the work performed. It is
30 generally characterized by having lower levels of educational attainment,
31 such as a high school diploma, General Equivalency Diploma (GED) or lack
32 thereof, and which typically results in getting lower wages.

1 Sec. 5. *People's Participation.* – The DSWD shall take the lead in the overall
2 implementation of the REAP. However, the corresponding LGUs and in particular,
3 the local communities and people's organizations (POs) representing its most
4 vulnerable and marginalized sectors shall be given proper recognition and due
5 consideration by the DSWD as the primary stakeholders of each project to be
6 initiated. Towards this end, the LGUs and especially the local communities
7 represented by their POs shall be capacitated by the DSWD to be able to fully
8 participate in any and all phases of the project development cycle, which include, but
9 are not limited to, situational analysis and needs assessment, project identification,
10 project implementation and management, and project monitoring and evaluation.

11 Sec. 6. *Qualifications for Availment of Employment Assistance.* – The DSWD,
12 in close coordination with the LGUs and other concerned government agencies, as
13 well as concerned members of the identified rural communities themselves, may
14 conduct a preliminary joint assessment of all poor individuals and families in rural
15 areas who signify interest in undertaking work as unskilled labor to determine
16 eligibility in availing of the employment assistance program. The assessment shall
17 also take into consideration the inherent knowledge, skills, capacities, and
18 capabilities of potential qualified participants so as to properly determine the type
19 and nature of projects that are most suited to them and their respective communities.
20 These preliminary joint assessments may be subject to validation and approval by the
21 DSWD.

22 The DSWD shall facilitate basic knowledge and skills orientation and capacity-
23 building trainings and seminars as deemed necessary towards project development
24 for qualified participants. The concerned LGUs shall be responsible for providing for
25 the loaning out of any tools and equipment necessary for project development to the
26 qualified individuals.

27 Sec. 7. *Types of Works and Activities under the Program.* – Employment
28 activities for this purpose shall be designed to mobilize eligible individuals, families
29 and communities to finish a project within a given time period. These projects may
30 include, but are not limited to the following:

- 31 (a) Development, rebuilding/rehabilitation of agri-based livelihood assets
32 damaged, destroyed or lost due to natural disasters such as desilting of

1 irrigation canals, development of paddy dikes, and rehabilitation of water
2 impounding dams;

3 (b) Development or rehabilitation of common service facilities, which are
4 being shared and used by poor families as production or consolidation
5 centers like postharvest facilities, and public markets; and

6 (c) Protection of natural and productive assets through mitigation and
7 disaster risk reduction measures such as mangrove planting and
8 rehabilitation, tree planting and similar activities.

9 Additionally, the DSWD shall provide an updated list of projects that may be
10 undertaken as well as the projects not covered under this law. This list shall be
11 readily made available to potentially qualified individuals who have expressed their
12 desire to participate in the REAP.

13 Sec. 8. *Rate of Assistance.* – Every person qualified under this Program shall
14 be entitled to receive compensation for each day of work at the rate of not less than
15 seventy-five percent (75%) of the prevailing minimum wage set by the concerned
16 Regional Tripartite Wages and Productivity Board (RTWPB). LGUs concerned may
17 also provide for additional allowances to the beneficiaries in order to cover for other
18 expenses such as transportation and food.

19 Sec. 9. *Micro-insurance Benefits.* – Qualified individuals are granted the
20 option to access micro-insurance as a form of social security in the event of
21 accidental death or dismemberment, medical reimbursement, and bereavement
22 assistance at a socialized cost. Towards this end, the DSWD shall provide liaison
23 services necessary to enable qualified individuals access to these social services.
24 LGUs concerned may also provide additional allowance to participants to cover
25 insurance costs.

26 Sec. 10. *Employment Facilitation.* – REAP participants who have completed
27 their ninety (90) day stints may be assisted by the DSWD and other concerned
28 government agencies in finding more permanent forms of livelihood and/or
29 employment.

30 Sec. 11. *Re-selection of Participants.* – If any natural or man-made disaster or
31 calamity should cause the demand for temporary work outlined in Section 7 of this
32 Act to outstrip the supply of qualified beneficiaries in a particular rural area, REAP

1 participants who have managed to finish ninety (90) days of work in a calendar year
2 may be reconsidered for selection into the program within the same time period
3 provided there are no other applicants available.

4 The rate of assistance shall be set at no less than sixty percent (60%) of the
5 prevailing regional minimum wage for repeat participants.

6 Sec. 12. *Appropriations.* – The Secretary of Social Welfare and Development
7 shall include in the DSWD's programs the implementation of this Act, the initial
8 funding of which shall be charged against the current year's appropriations of the
9 DSWD. Thereafter, the amount necessary for its continued implementation shall be
10 included in the annual General Appropriations Act.

11 In addition, the DSWD may accept donations, contributions or grants from
12 foreign and local persons, institutions and governments, among others, for the
13 implementation of the Program.

14 Sec. 13. *Implementing Rules and Regulations.* – Within ninety (90) days after
15 the approval of this Act, the Secretary of the DSWD shall, in consultation with the
16 Secretary of the Department of the Interior and Local Government, issue the
17 necessary rules and regulations for the effective implementation of this Act.

18 Sec. 14. *Separability Clause.* – Should any provision of this Act be found
19 unconstitutional by a court of law, such provision shall be severed from the
20 remainder of this Act, and such action shall not affect the enforceability of the
21 remaining provisions of this Act.

22 Sec. 15. *Repealing Clause.* – All laws, decrees, letters of instruction,
23 resolutions, orders or parts thereof which are inconsistent with the provisions of this
24 Act are hereby repealed, modified or amended accordingly.

25 Sec. 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
26 publication in the Official Gazette or in any two (2) newspapers of general circulation
27 in the Philippines.

Approved,