

14th CONGRESS OF THE PHILIPPINES
First Regular Session

7 AUG -2 1998

SENATE OF THE PHILIPPINES
Pasay City

S. BILL NO. 1425

RECEIVED BY: Jm

Introduced By: Hon. Antonio F. Trillanes IV

EXPLANATORY NOTE

Statistics show that 36.8% of the Philippine population subsists below the national poverty line¹. Worse, the incidence of child malnutrition in the Philippines stands at 30% of all children under 5 years old². This means that around five million Filipino children are suffering from malnutrition.

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

“[T]he 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 8425³ 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 a 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.

¹ Asian Development Bank (ADB) Database and Development Indicators.

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

³ Effective 30 June 1998.

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), 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 F. TRILLANES IV
Senator

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

7 AUG -2 2105

SENATE

RECEIVED BY: 

S. No. 1425

Introduced by Senator Antonio 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 the 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 2007"*.

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
6 free the people from poverty through policies that provide adequate social services,
7 promote full employment, a rising standard of living, and an improved quality of life for
8 all [Section 9, Article II, 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
12 systematic and well-studied direct intervention program by conducting sustained
13 supplemental feeding targeting school children, out-of-school youth and children of pre-
14 schooling age as well as related poverty-alleviation efforts using the basic human needs
15 approach, particularly among those belonging to the poorest of the poor or the lowest
16 twenty percent (20%) of Philippine social strata in terms of income and resources.

17
18 **SEC. 3. *Creation of A Special Poverty Alleviation Fund.*** There is hereby
19 created a Special Poverty Alleviation Fund (*"Fund"*) to be funded from the sources

1 provided herein below and to be managed and administered by the National Anti-
2 Poverty Commission (NAPC) under a Program to be implemented by the Department
3 of Social Welfare and Development (DSWD).

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

7
8 (a) Ten percent (10%) share from the net income of the Philippine Games and
9 Amusement Corporation (PAGCOR), to be given and delivered by PAGCOR to the
10 NAPC on a quarterly basis, no later than ninety (90) days after the end of each
11 quarter, subject to final accounting and/or adjustments at the end of each calendar
12 year;

13
14 (b) Ten percent (10%) share from the net income of the Philippine Charily
15 Sweepstakes Office (PCSQ), to be given and delivered by PAGCOR to the NAPC on
16 a quarterly basis, no later than ninety (90) days after the end of each quarter, subject
17 to final accounting and/or adjustments at 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
20 case of the privatization of the DFS, twenty percent (25%) of the proceeds of
21 privatization of DPS plus fifty percent (50%) of the franchise tax collected thereon.

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

27
28 **SEC. 5. Authorized Use of the Fund; The Program.** The Fund shall
29 principally be used to finance the National Supplemental Feeding and Poverty
30 Alleviation Program ("Program"). The Program shall provide for the generation of an
31 annual listing of priority or target schools, communities, barangays and/or other localities
32 where the Government shall undertake direct feeding and/or supplemental feeding
33 activities on a sustained basis targeting school children, out-of-school youth and children
34 of pre-school ages who belong to the poorest of the poor or the lowest twenty percent

1 (20%) of the Philippine social strata in terms of income or financial resources. The
2 Program shall also incorporate other poverty-alleviation efforts using the minimum basic
3 needs (MBN) approach targeted at poor communities.

4
5 The Program shall be prepared by the DSWD for the approval of the NAPC. The
6 Program shall likewise be implemented by the DSWD.

7
8 In connection with the foregoing, subject to the approval of NAPC, the DSWD
9 shall:

10
11 (a) Devise and formulate plans, strategies and programs to carry out effectively and
12 efficiently the disposition of the Fund in accordance with declared purpose thereof;

13
14 (b) Direct the management, operations and administration of the Fund;

15
16 (c) Authorize expenditures of the Fund as are in accordance with the purpose for which
17 it was set up; and

18
19 (d) Exercise such other powers as may be necessary to accomplish the purpose for
20 which the Fund was created.

21
22 **SEC. 6. *Limitations.*** The Fund shall not be used for any purpose other than to finance
23 the feeding and/or supplemental feeding program of the Government, as prepared by the
24 DSWD and approved by the NAPC. Moreover, no more than three percent (3%) of the
25 proceeds of the Fund may be used for administrative purposes.

26
27 **SEC. 7. *Administration and Control of the Fund.*** The Fund shall be under the control
28 of the DSWD, which shall administer the same in accordance with the above stated
29 powers, functions and limitations.

30
31 **SEC. 8. *Investment of the Fund.*** Any portion of the Fund not otherwise disposed of
32 as provided for in this Act shall be invested in government securities and such other high-
33 yielding securities as determined by the DSWD, upon approval of the NAPC. The
34 earnings therefrom shall accrue to the Fund.

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

3

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

9

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

22

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

27

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

31

32 **SEC. 14. *Repealing Clause.*** The pertinent provisions of the National Internal
33 Revenue Code, as amended, the charters of the PAGCOR and PCSQ, as amended, and
34 any other provisions of law, decree, executive order, letter of instructions, rule or

1 regulation or parts thereof that are in conflict with any provisions of this Act are hereby
2 repealed, amended or modified accordingly.

3

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

Approved,