AN ACT
TO REDUCE POVERTY AND PROMOTE HUMAN CAPITAL DEVELOPMENT THROUGH THE CREATION OF A NATIONAL CONDITIONAL FUND TRANSFER PROGRAM

EXPLANATORY NOTE

The Constitution, Article 2, Section 9 provides: “The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.”

In a 2014 survey by the Social Weather Stations, an estimated 12.1 million families in the Philippines consider themselves poor. The Pantawid Pamilyang Pilipino Program (4Ps) is a poverty reduction and social development program of the Philippine government, which aims to address this by providing cash assistance to poor families in order to “break the intergenerational poverty cycle through investments in human capital.” The 4Ps was inspired by the successes of similar programs in Latin American countries such as *Bolsa Familia* in Brazil, *Familia en Accion* in Colombia and *Oportunidades* in Mexico.

In Brazil, the *Bolsa Familia* has two objectives: first, to reduce the poverty and inequalities currently marking Brazilian society by means of direct monetary transfers to poor families and, second, to put a stop to the inter-generational transmission of poverty

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by developing human capital at the household level.\(^2\) The Philippines has adapted the same objectives with the goal of fulfilling the country's commitment to meeting the Millennium Development Goals of:

1. Eradicating extreme hunger and poverty;
2. Achieving universal primary education;
3. Promoting gender equality;
4. Reducing child mortality; and
5. Improving maternal health.

An initial study on the pilot areas of the program shows promising results. In Esperanza and Sibagat, Agusan del Sure for example, two of the pilot areas of the 4Ps have higher attendance compared to the general population of children in schools. There has been a remarkable increase in the use of health services by pregnant women and children compared to 2007 and there has also been a significant increase in the vaccination rate as well as a decrease in prevalence of malnutrition among children.

The conditions attached to the current 4Ps of the DSWD require parents to undergo trainings on responsible parenthood, have their children undergo health check-ups and ensure school attendance. The program ensures that there is sufficient resource for the health, nutrition and education of children aged 0-14 years old.

Despite the far-reaching effects of this program, the 4Ps, however, has been hugely controversial, because of corruption issues on the implementation of the program, the lack of schools and health workers to implement the program, unaccounted disbursements, unequal distribution of beneficiaries, and the lack of supervision over the registration of qualified households, among other problems.\(^3\) Given these, there is a need to ensure the sustainability of the 4Ps by addressing the issues hounding the program.

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\(^3\) 2012 COA Report.
A 2013 study proposed that instead of expanding the program, the 4P should instead be deepened by “providing longer assistance to current beneficiaries to ensure that their children finish high school. This would mean extending coverage to up to 16 or 18 years of age (taking into account K+12) to enable the CCT children to finish high school and increasing the period of coverage from 5 to 10 years or even longer.”

Another study also proposed that the program should target the chronic poor, instead of the transient poor, in order to give the program a better focus.

This bill widens the reach of the 4Ps to children who are 15 to 18 years of age. The bill also seeks to create an inter-agency council that will oversee and implement the program. It also seeks to penalize those who intend to use the program for personal or political gain.

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

SECTION 1. Short Title. — This Act shall be known as the “Pantawid Pamilyang Pilipino Program Act.”

SECTION 2. Declaration of Policy. — It shall be the policy of the State:

(A) To provide a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services and improve quality of life;

(B) To give priority to education and health of children, accelerate social progress and promote total human liberation and development; and

(C) To protect the life of mothers and their children.

SECTION 3. Definition of Terms. — As used in this Act, the term:

(A) The Pantawid Pamilyang Pilipino Program (4Ps) shall refer to the national poverty reduction strategy that provides conditional cash transfer to extremely poor households to improve their health, nutrition, and education, particularly of children aged 0-18 years;
(B) Beneficiaries shall refer to poor households with pregnant women and/or with children 0-18 years of age selected by the Department of Social Welfare and Development to be part of the program through the National Household Targeting System for Poverty Reduction (NHTSP).

(C) Department shall refer to the Department of Social Welfare and Development (DSWD) which is the lead and executing agency in the implementation of this program.

(D) Small Area Poverty Estimate refers to a statistical tool and methodology of generating estimates of poverty incidence by combining survey and census data at lower levels of geographic disaggregation (cities and municipalities) utilized by the National Census and Statistical Coordination Board (NSCB).

(E) Extremely Poor or food poor shall refer to a person whose income or other resources fall short of enabling him to provide for even just his nutritional requirements, according to the NSCB, an individual earning less than ₱27.70 (US$ 0.55) or ₱830 (US$14.60) a month or ₱9,963.00 (US $200.00) a year is extremely poor or food poor.

(F) Poor shall refer to a person whose income is sufficient to provide for his nutritional needs but falls short of enabling him to provide for his other basic necessities such as clothing, shelter, health, and education. According to the NSCB, an individual earning less than ₱24.80 ($US 0.83) a day or ₱1,242 (US $24.80) a month or ₱14,906 ($US298.00) a year is poor.

SECTION 4. Objective of the Pantawid Pamilyang Pilipino Program (4Ps). - The Pantawid Pamilyang Pilipino Programs (4Ps) aims to:

(A) Reduce extreme hunger and poverty.

(B) Achieve universal primary education.

(C) Promote gender equality and empowerment of women.

(D) Reduce child mortality.
1 (E) Improve maternal health.

2 SECTION 5. Construction. – This law shall be liberally construed in favor of attainment of its objectives.

3 SECTION 6. Selection of Areas of Implementation. – The following guidelines shall be followed in the selection of areas of implementation:

4 (A) In the selection of target areas, priority is given to the poorest municipalities as determined by Small Area Poverty Estimates generated by the National Statistical Coordination Board (NSCB).

5 (B) Priority shall also be given to cities with large pockets of poverty as reported by the National Anti-Poverty Commission (NAPC) and/or the Presidential Commission on Urban Poor (PCUP) and/or National Census and Statistical Coordination Board (NSCB).

6 (C) Priority shall likewise be given to indigenous people and other population subgroups that live far from public schools.

7 SECTION 7. Eligible Households. – For a household to qualify as beneficiary for this program it must meet the following requirements:

8 1. The household is within the municipality or city identified as area of implementation.

9 2. The household has at least one (1) 0-18 year old child and/or a pregnant woman at the time of registration.

10 3. The household suffers from chronic poverty and falls within the priority ranking as determined by the National Household Targeting System (NHTS) of the DSWD, which involves rigorous household assessment and application of a Proxy Means Test, a tool used to estimate the income of households on the basis proxy variables including of household composition, education, socio-economic characteristic, housing
conditions, access to basic services, assets, tenure status and regional variables. The DSWD and all national government agencies shall use the NHTS for identifying and prioritizing beneficiaries for the 4Ps as well as other social services.

SECTION 8. Program Conditions. — All beneficiaries shall comply with the following conditions as a requirement for continued program eligibility:

(A) Children 3-5 years of age must enroll in day care program or pre-school and attend at least eighty five percent (85%) of the required school days;

(B) Children 6-14 years of age must be enroll in school and attend at least eighty five percent (85%) of the required school days. They must also undergo deworming at least twice a year;

(C) Children 15-18 years of age must be enrolled in schools and attend at least seventy five percent (75%) of the required school days.

(D) Children 0-5 years of age must get regular preventive health check-ups and vaccines based on the Department of Health (DOH) protocol;

(E) Children 3-5 years of age must enroll in day care program or pre-school and attend at least eighty five percent (85%) of the required school days;

(F) Children 0-5 years of age must get regular preventive health check-ups and vaccines based on the Department of Health (DOH) protocol;

(G) Pregnant women must get at least (3) pre-natal check-up starting from the first trimester, get post natal care and the childbirth must be attended by a skilled/trained health personnel

(H) Parents/ guardians must attend and complete responsible parenthood seminars and parenting education sessions.

Failure to comply with the conditionalities warrants the suspension and/or removal of the beneficiary from the program.
SECTION 9. Grant Rates. – The following amounts shall be released to qualified beneficiaries:

(A) The health grant beneficiary/family shall receive five hundred pesos (₱500) per month per household or a total of six thousand pesos (₱6,000) per year;

(B) The education grant beneficiaries, the 3-14 year old children enrolled at the day care program, pre-school, elementary school or high school shall receive three hundred pesos (₱300) per month for the ten (10) month school year or a total of three thousand pesos (₱3,000) in a year with a maximum of three (3) children per household;

(C) The education grant beneficiaries, the 15-17 year old children enrolled at high school shall receive three hundred pesos (₱400) per month for the ten (10) month school year or a total of three thousand pesos (₱4,000) in a year with a maximum of three (3) children per household, in addition to any education grant beneficiaries who are 3-14 years old;

The grant rates may be adjusted by the DSWD if warranted by the changes in the socio-economic conditions existing at the time. The DSWD shall ensure that the grant rates are sufficient to make a positive impact on the health, nutrition and education conditionalities, provided, that DSWD shall ensure that the grant will not serve as disincentive for family members to work and improve their economic conditions.

SECTION 10. Grievance Redress System. – The Department shall develop a Grievance Redress System that will address complaints regarding the implementation of this program.

SECTION 11. Penalties. – The following penalties shall be imposed:

(A) A social worker who threatens to remove beneficiaries or offer to include non-qualified households as beneficiaries shall pay a fine of five thousand pesos (₱5,000)
and shall be suspended for two weeks without pay, in addition to any administrative penalty that he or she may incur.

(B) A government employee or local government official who uses his or her position to include or remove beneficiaries in exchange for other services not included as conditionalities in this Act, shall suffer the penalty of arresto mayor or pay a fine of ten thousand pesos (₱10,000).

(C) A beneficiary who transfers his or her grant under the program through fraudulent or deceitful means against the government, shall be removed from the program and shall pay a fine of five thousand pesos (₱5,000).

SECTION 12. Inter-Agency Council. – There shall be a National Inter-Agency Council for the implementation of the Pantawid Pamilyang Pilipino Program (4Ps) composed of the Department of Social Welfare and Development (DSWD) as Chair and the Department of Health (DOH), Department of Education (DepEd), Department of Interior and Local Government (DILG), National Economic Development Authority (NEDA) and National Anti-Poverty Commission (NAPC) as members.

SECTION 13. Functions of the Inter-Agency Council. – The Council as a collegial body shall have following functions:

(A) Formulate policies for the program

(B) Oversee the implementation of the program

SECTION 14. Implementing Rules and Regulations. – The Department of Social Welfare and Development (DSWD) is hereby designated as the executing agency for this Project. It is authorized to enter into agreements or cooperation with development agencies, both national and international for financing and technical, as well as program support for this program. The Department together with the members of the Inter-Agency Council as well as other relevant agencies that the Department may involve, shall draft
the Implementing Rules and Regulations for the implementation of this law within one
hundred twenty (120) days from the enactment of this law.

SECTION 15. Appropriation. – The amount equivalent to not less than three (3%) of the approved budget in the General Appropriation Act is hereby automatically appropriated to cover approximately sixty percent (60%) of the total poor families in the Philippines. The amount appropriated shall be automatically increased to maintain the participation of sixty percent (60%) of the total poor families should they increase from the 4.7 Million families currently estimated. The appropriation shall continue for at least ten (10) years from the enactment of this Act. The appropriation shall be included in the annual appropriation of the DSWD.

SECTION 16. Separability Clause. – If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 17. Repealing Clause. – All laws, decrees, orders, and issuances, or portions thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SECTION 18. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,

/at7Jul2015