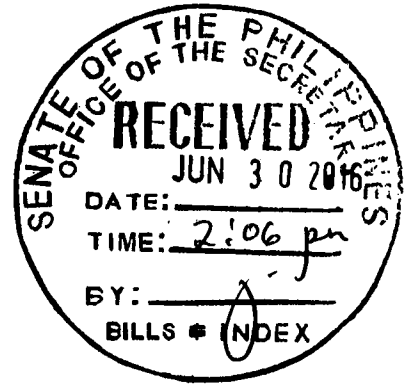


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. B. No. 33

Introduced by SENATOR LOREN LEGARDA

AN ACT TO REDUCE CHRONIC POVERTY AND PROMOTE HUMAN CAPITAL DEVELOPMENT IN THE COUNTRY THROUGH THE INSTITUTIONALIZATION OF THE PANTAWID PAMILYANG PILIPINO PROGRAM (4PS)

Explanatory Note

In the 2015 State of Social Safety Nets report by the World Bank, the Pantawid Pamilyang Pilipino Program (4Ps) was specifically cited as one of the largest and best-targeted social safety net programs in the world with an estimated 82% of its benefits going to the bottom 40% of the population.

The number of household-beneficiaries covered by the program has risen to around 4.4 million from only 360,000 household-beneficiaries when it was first implemented in 2008. There is widespread consensus among economists and social scientists that the scheme has been successful in improving human capital outcomes among the chronic poor household-beneficiaries, putting to rest concerns that it was a dole-out scheme that would promote mendicancy among recipients.

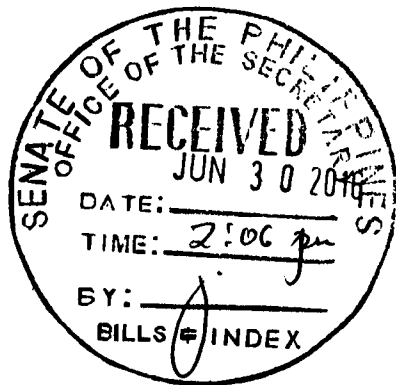
While the cash grants provided under the 4Ps may provide immediate social assistance, the program should be viewed as a long-term social development program to break the intergenerational cycle of poverty among the chronically poor families through improvements in their education, health, nutrition, and poverty outcomes. By ensuring that children from poor households have good nutrition and are able to finish high school, their family's odds of becoming non-poor becomes high.

This is confirmed by the 2013 study the Philippine Institute for Development Studies which estimates that the average daily wage of a high school graduate is 40% higher than that of someone who only finished elementary schooling. An elementary graduate's average daily wage will be 10% higher than that of an elementary undergraduate. Moreover, the targeted selection scheme used in the identification and selection of beneficiaries minimizes the leakage incurred by the program.

In light of the laudable achievement of the program and its potential in ensuring inclusive growth reaches the chronic poor, the passage of this measure is hereby requested.


LOREN LEGARDA
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 Act shall be known as the "Pantawid
2 Pamilyang Pilipino Program (4Ps) Act."
3

4 **SECTION 2. Declaration of Policy.** - It shall be the policy of the State:
5

6 (A) To provide a just and fair social order that ensures the prosperity
7 and independence of the nation and free the people from poverty
8 through policies that provide adequate social protection and
9 improve the quality of life of everyone;
10

11 (B) To promote human capital development as a means to breaking
12 chronic and intergenerational poverty;
13

14 (C) To give priority to health, nutrition and education, and their
15 delivery systems so that the long standing issues of quality,
16 efficiency, effectiveness, and accessibility can be addressed to foster
17 human capital investments; and
18

19 (D) To provide quality health care that protects the life of mothers and
20 their children.
21

22 **SECTION 3. Objectives of the Pantawid Pamilyang Pilipino Program**
23 **(4Ps).** - The Pantawid Pamilyang Pilipino Program (4Ps) is a social
24 protection program and a national poverty reduction strategy that aims to
25 alleviate the poor's immediate needs through the provision of cash
26 transfers and by improving their access to education, health care, and
27 nutrition.
28

29 The 4Ps shall be geared towards the reduction of extreme hunger and
30 chronic poverty, the achievement of universal primary education,
31 promotion of gender equality and empowerment of women, improvement
32 of maternal health, reduction of child mortality, and reduction of

1 vulnerability to disasters. Ultimately, the 4Ps aims to break the
2 intergenerational poverty cycle among chronically poor through human
3 capital development.

4
5 **SECTION 4. Definition of Terms.** - As used in this Act, the term:

6
7 (A) "Chronic poor" refers to a person whose per capita income falls
8 persistently below the poverty line, as defined by the Philippine
9 Statistics Authority (PSA), during long periods of time or those who
10 are inter-generationally poor;

11
12 (B) "Chronic poverty" refers to extreme poverty that persists for a long
13 time;

14
15 (C) "Community-Based Monitoring System (CBMS)" is an organized
16 process of data collection and processing at the local level, including
17 the integration of data in local planning, program implementation,
18 and impact-monitoring. CBMS helps diagnose extent of poverty at
19 the local level.

20
21 (D) "Extremely Poor or Food Poor" refers to a person whose income or
22 other resources fall short of enabling him to provide for even just
23 his nutritional requirements as determined by latest data provided
24 by the PSA;

25
26 (E) "Household-beneficiaries" refer to poor households with pregnant
27 women and/or with children 0-18 years of age, subject to certain
28 exceptions to age limitations under this Act, accepted under the 4Ps
29 after having duly been screened, based on a criteria, and selected
30 by the Department of Social Welfare and Development through the
31 National Household Targeting System for Poverty Reduction
32 (NHTSP) or other modes of targeting and screening that may be
33 adopted for this purpose;

34
35 (F) "Pantawid Pamilyang Pilipino Program (4Ps)" refers to the national
36 poverty reduction strategy institutionalized under this Act that
37 provides cash grants/transfers to extremely poor households in
38 exchange for their active compliance with human capital
39 conditionalities toward decreasing chronic poverty, providing social
40 protection, while at the same time also promoting human capital
41 development by improving their health, nutrition, and education,
42 particularly of children aged 0-18 years, subject to exceptions as
43 provided in this Act;

44
45 (G) "Poor" refers to a person whose income is sufficient to provide for
46 his nutritional needs but falls short of enabling him to provide for
47 his other basic necessities such as clothing, shelter, health, and
48 education as determined by the latest data provided by the PSA;

49
50 (H) "Proxy Means Test (PMT)" is a tool used to estimate the income of
51 households on the basis of proxy variables such as household
52 composition, educational attainment, socio-economic
53 characteristic, housing conditions, access to basic services, assets,
54 tenure status, regional variables, among other variables that may
55 be set by the Inter-Agency Council (IAC) established under this Act;

1 (I) "Small Area Poverty Estimate" refers to small area level income and
2 poverty estimates, with acceptable standard errors, generated
3 through a model-based approach. These approaches include the
4 demographic, synthetic and composite methods of estimation; the
5 model-based approach of estimating poverty statistics using data
6 coming from different sources like nationwide surveys, most recent
7 census and administrative records; among other methods;
8

9 (J) Transient poor refers to a person who moves in and out of poverty,
10 or only occasionally fall below the poverty line.
11

12 **SECTION 5. Construction.** - This law shall be liberally construed in favor
13 of attainment of its objectives.
14

15 **SECTION 6. Targeting and Selection of Areas of Implementation.** - In
16 targeting and selecting areas of implementation, priority shall be given to:
17

18 (A) The poorest municipalities based on Small Area Poverty Estimates
19 generated by the PSA;
20

21 (B) Cities with large pockets of poverty as reported by the National
22 Anti-Poverty Commission (NAPC) and the PSA;
23

24 (C) Indigenous people communities.
25

26 Careful analysis and design shall be undertaken by the DSWD to ensure
27 that the beneficiaries include the chronic and intergenerational poor.
28

29 If health and education infrastructure are inadequate to meet the demand
30 for services, the DSWD, Department of Education, Department of Health,
31 the Department of Public Works and Highways, and the Local Government
32 Unit concerned shall ensure that additional health and education
33 infrastructure shall be made available. In planning the construction of
34 these facilities, the poorest population that are geographically isolated
35 from accessing public schools shall be prioritized.
36

37 **SECTION 7. Eligible Households.** - For a household to qualify as
38 beneficiary under this program, it must meet the following requirements:
39

40 (A) The household is within the municipality or city identified as an
41 area of implementation;
42

43 (B) The household has at least one (1) 0-18 year old child and/or a
44 pregnant woman at the time of registration, subject to exceptions
45 on age limitations as provided in this Act; and
46

47 (C) The household suffers from chronic poverty as determined by
48 surveys or monitoring tools that may be employed by the DSWD
49 such as the the National Household Targeting System (NHTS) which
50 involves the implementation of rigorous household assessment and
51 application of a Proxy Means Test (PMT) or the Community-Based
52 Monitoring System (CBMS) which involves the collection of
53 household data on a continuing basis for purposes of diagnosing
54 poverty at the local level. Data collection under the CBMS may be
55 implemented in coordination with the Department of Interior and
56 Local Government, the LGUs, non-government organizations,
57 and/or the academe.

1 Notwithstanding the targeting mechanism or tool that may be used, the
2 DSWD shall have the sole authority to screen and select qualified
3 household-beneficiaries under the Program.

4
5 The NIAC created under this Act and the DSWD shall determine the most
6 appropriate household-beneficiary targeting mechanism to identify and
7 prioritize beneficiaries for the 4Ps as well as other social assistance and
8 poverty alleviation programs. A well-defined targeting criteria will also be
9 developed by the DSWD.

10
11 **SECTION 8. Program Conditionalities.** - All household-beneficiaries
12 shall comply with the following conditions as a requirement for continued
13 program eligibility:

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

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

20 (C) Children 15-18 years of age must be enrolled in school and attend
21 at least seventy five percent (75%) of the required school days. In
22 the event that the beneficiary is already above 18 years of age but
23 is enrolled in or still wishes to continue his high school education,
24 he may be allowed to continue under the program until he
25 graduates or he reaches the age of twenty-two years old, whichever
26 comes first;

27 (D) Children 0-5 years of age must avail of regular preventive health
28 check-ups and up-to-date vaccinations based on the Department of
29 Health (DOH) protocol;

30 (E) Pregnant women must avail of at least (3) pre-natal check-up
31 starting from the first trimester, post natal care and her childbirth
32 must be attended to by a skilled/trained health personnel;

33 (F) Parents/guardians must attend and complete responsible
34 parenthood seminars and parenting education sessions;

35 (G) Parents/guardians must attend and complete training on disaster
36 risk reduction and disaster preparedness.

37 Failure to comply with the conditionalities shall warrant the suspension
38 and/or removal of the household-beneficiary from the program.

39
40 **SECTION 9. Grant Rates.** - Household-beneficiaries shall receive cash
41 grants for any one of the following CCT grant packages:

42 (A) Health/nutrition grant package;

43 (B) Education grant package; or

44 (C) Health, nutrition and education grant package.

45 The health/nutrition grant package aims to promote healthy practices and
46 family development, improve the nutritional status of young children, and

1 increase the use of health services by the household-beneficiary. The
2 health/nutrition grant is a fixed amount to be given per household-
3 beneficiary regardless of the number of members in the household.

4 The education grant is given to a maximum of three children in the
5 household-beneficiary, aged 3 to 18 years old, subject to age limit
6 extension as provided in this Act.

7 In the event that the child is already above 18 years old but is enrolled in
8 or still wishes to continue his/her elementary or secondary education,
9 he/she shall be provided with the education grant until he graduates from
10 senior high school or he reaches the age of twenty-two, whichever comes
11 first. The education grant, however, will only be given when the grantee is
12 enrolled and actively pursues his schooling.

13 As long as conditionalities are continuously met, household-beneficiaries
14 shall remain in the program until all three children are able to graduate
15 from senior high school or until the beneficiary child reaches the age of
16 twenty-two, whichever comes first.

17 The amounts for each grant package shall be determined by the DSWD, in
18 consultation with the IAC and the Department of Budget and Management
19 (DBM), taking into account the current needs for health, nutrition, and
20 education, and the country's fiscal situation. The cash grants, however,
21 shall not be lower than the amounts provided to household-beneficiaries
22 at the time of the adoption of this Act, as follows:

23
24 (A) Health and Nutrition Grant package: Php500 per month or
25 Php6,000 annually for each Household-beneficiary;

26
27 (B) Education Grant Package: Php300 per child per month for ten
28 months or a total of Php3000 per school year. Each household-
29 beneficiary may receive grants for up to a maximum of 3 qualified
30 children.

31
32 The grant rates may be adjusted by the DSWD, in consultation with the
33 IAC and the DBM, if economic conditions and fiscal status would warrant
34 such increase. The DSWD shall ensure that the grant rates are sufficient
35 to make a positive impact on the health, nutrition and education
36 conditionalities, and that the grants will not serve as disincentive for family
37 members to work and improve their economic conditions.

38 **SECTION 10. Transfer or Remittance of Cash Grants.** - The transfer or
39 remittance of cash grants shall be made on a monthly basis to the
40 household-beneficiaries. To facilitate the transfer or remittance of the
41 cash grants and to promote a culture of savings among the beneficiaries,
42 the DSWD shall enter into arrangements with the Land Bank of the
43 Philippines and/or other reputable banking institutions with widely
44 dispersed network of automated teller machines (ATMs). The DSWD shall
45 observe an open and transparent procedure for the selection of cash
46 transfer banks.

47 The mode for the efficient transfer or remittance arrangements shall be
48 determined by the DSWD.

49
50 **SECTION 11. Program Monitoring and Evaluation, Impact Assessment**
51 **and Pilot Testing of Innovations.** - The DSWD shall undertake the

1 following as part of the program monitoring system for the 4Ps:
2

3 (A) Develop metrics and indicators for monitoring and assessing the
4 progress of program implementation;
5

6 (B) Conduct periodic perception surveys among beneficiaries and
7 program providers;
8

9 (C) Conduct biennial impact assessment studies covering the
10 household-beneficiaries, taking into consideration the results of the
11 two other monitoring activities provided in this Section. Such
12 annual impact assessment studies shall be submitted to the
13 Philippine Congress by the first quarter of the calendar year,
14 following the period covered by the review. The results of these
15 studies will also be posted on the DSWD website for public access.
16

17 The DSWD shall undertake the monitoring and assessment activities in
18 cooperation with the PSA, LGUs, the academe, non-government and
19 international organizations. The impact assessment studies may be
20 conducted by agencies or organizations external to the program or by
21 international partner organizations to enhance the credibility of the
22 evaluation.
23

24 To achieve efficiencies in the conduct of monitoring activities, the DSWD
25 may utilize existing monitoring mechanisms for grassroots program
26 monitoring.
27

28 Based on the results of the impact assessment studies, the DSWD may
29 implement changes in the program, including the expansion and/or
30 increase or reduction of household beneficiaries to be covered, additional
31 conditionalities to be imposed, provided that a pilot-testing is first
32 undertaken to determine the feasibility and soundness of the proposed
33 changes.
34

35 **SECTION 12. 4Ps Management Information System (4Ps MIS).** The
36 DSWD shall establish, operationalize, and maintain a 4Ps Management
37 Information System to effectively support program management, decision-
38 making, and promote program accountability. The information system
39 shall have the following functions:

40 (A) Document and organize information and data on beneficiary
41 targeting, selection, registration, compliance and evaluation;

42 (B) Generate useful reports for the management of the different program
43 administration levels and for policy making;

44 (C) Provide information on program implementation status and
45 progress with respect to goals;

46 (D) Provide basis for identifying program implementation issues that
47 need to be addressed;

48 (E) Provide information on status and results in all phases of the
49 program, including its impact per beneficiary and on the program as
50 a whole;

51 (F) Provide information to the NIAC to promote inter-agency

1 coordination;

2 (G) Provide information on program partners and providers, including
3 their inputs and recommendations on the program;

4 (H) Document public opinion and perception on the program to facilitate
5 analysis;

6 (I) Promote program transparency and accountability.

7 A system for effective and efficient data collection shall be put in place.

8
9 The 4Ps MIS shall be comprehensive and shall have enough functionality
10 to support planning, service coordination, reporting information to users,
11 production of management indicators, and promoting transparency and
12 accountability.

13
14 **SECTION 13. Administrative Costs for Program Administration and**
15 **Monitoring.** The DSWD shall put in place an effective and efficient
16 administrative system for the Program. In line with this, the
17 administrative costs for the Program shall not be excessive and shall not
18 account for more than 10% of the total cash transfers annually under the
19 4Ps on its first three years of implementation upon adoption of this Act.
20 The Administrative Costs will cover expenses for targeting, selection, grant
21 payments and transfer, MIS establishment and operation, compliance
22 monitoring, and all the support service of management, assessment, and
23 evaluation.

24
25 The ratio of the administrative cost to total cash transfers shall
26 incrementally decrease over the years as the Program reaches its maturity.

27
28 **SECTION 14. Grievance Redress System.** - The Department shall
29 develop a Grievance Redress System that will address complaints
30 regarding the implementation of this program.

31
32 **SECTION 15. National Inter-Agency Council (NIAC).** - There shall be a
33 NIAC for more effective coordination of the implementation of the Pantawid
34 Familyang Pilipino Program (4Ps). It shall be composed of the Department
35 of Social Welfare and Development (DSWD) as Chair and the Department
36 of Health (DOH), Department of Education (DepEd), Department of Interior
37 and Local Government (DILG), the National Economic and Development
38 Authority (NEDA), the National Anti-Poverty Commission (NAPC), and the
39 Philippine Statistics Authority, as members.

40
41 The NIAC will meet at least once a month or as often as necessary to
42 discuss Program coordination matters and policy guidelines.

43
44 DSWD will provide Secretariat support to the NIAC.

45
46 **SECTION 16. Functions of the NIAC.** - The NIAC, as a collegial body shall
47 have following functions:

48 (A) Develop the implementing rules and regulations of this Act;

49 (B) Develop policy implementation mechanisms;

- 1 (C) Oversee program implementation;
- 2 (D) Review the monitoring and assessment reports of the DSWD and
3 submit necessary policy recommendations to Congress to
4 improve and strengthen the program, if necessary;
- 5 (E) Meet regularly to promote coordination across agencies and
6 enhance program implementation;□
- 7 (F) Jointly address/resolve program implementation issues;
- 8 (G) Submit annual reports to Congress at the beginning of each fiscal
9 year, but which shall not be later than the 31st of January; and
- 10 (H) Report the progress of program implementation to the President.

11
12 **SECTION 17. Convergence and Partnerships with other National**
13 **Government Programs.** - To sustain the gains achieved by its household-
14 beneficiaries, the DSWD shall work with the Department of Labor and
15 Employment and private manpower agencies, and the Technical
16 Education and Skills Development Authority to provide employment and
17 training opportunities to those who have completed the HS program.

18
19 The DTI, in cooperation with the DSWD, shall make available its
20 entrepreneurship programs, shared services facilities and Negosyo Centers
21 to widen livelihood options and opportunities to participants and
22 graduates of 4Ps. The DSWD shall work with the private sector and
23 businesses to facilitate the absorption of 4Ps participants and graduates
24 into the formal economy.

25
26 The DSWD shall work with the Commission on Higher Education, the
27 National Youth Commission and the Philippine Association of State
28 Universities and Colleges, to maximize internship and scholarship
29 opportunities for senior high school graduates from 4Ps household-
30 beneficiaries.

31
32 **SECTION 18. Penalties.** - The following penalties shall be imposed
33 against individuals who are found to have violated this Act:

34
35 (A) A social worker who threatens to remove beneficiaries or offer to
36 include non-qualified households as beneficiaries, for monetary
37 and non-monetary considerations, shall pay a fine of five thousand
38 pesos (P5,000) and shall be suspended for two weeks without pay
39 on the first offense, in addition to any administrative penalty that
40 he or she may incur. Subsequent offenses of this nature will merit
41 dismissal from the service and perpetual disqualification from
42 public service.

43
44 (B) A government employee or local government official who uses his or
45 her position to include or remove beneficiaries for monetary or non-
46 monetary considerations or in exchange for other services not
47 included as conditionalities in this Act, shall suffer the penalty of
48 *arresto mayor* or a fine of ten thousand pesos (P10,000) or both,
49 dismissal from service and perpetual ban from working in the
50 government.

1 (C) A beneficiary who transfers his or her grant under the program
2 through fraudulent or deceitful means against the government,
3 shall be removed and perpetually disqualified from the program and
4 shall pay a fine of five thousand pesos (P5,000).
5

6 (D) Anyone who diverts or fails to effect the transfer of cash grants to
7 the intended beneficiary for no valid reason shall suffer the penalty
8 of *arresto mayor* or a fine of ten thousand pesos (P10,000). Each
9 transaction or beneficiary shall be one case.
10

11 **SECTION 19. *Implementing Rules and Regulations.*** - The NIAC created
12 under this Act shall draft the Implementing Rules and Regulations within
13 sixty (60) days from the adoption of this Act.
14

15 **SECTION 20. *Lead Implementing Agency.*** The DSWD shall be the lead
16 agency for implementing the 4Ps. It is authorized to enter into agreements
17 or cooperation with development agencies, both national and international
18 for financing and technical, as well as program support for this program.
19

20 **SECTION 21. *Appropriation.*** - The funds necessary for the full
21 implementation of this Act shall be annually appropriated in the budget of
22 the DSWD under the General Appropriations Act (GAA).

23 **SECTION 22. *Separability Clause.*** - If any provision of this Act is held
24 invalid or unconstitutional, the same shall not affect the validity and
25 effectivity of the other provisions hereof.
26

27 **SECTION 23. *Repealing Clause.*** - All laws, decrees, orders, and
28 issuances, or portions thereof, which are inconsistent with the provisions
29 of this Act, are hereby repealed, amended or modified accordingly.
30

31 **SECTION 24. *Effectivity Clause.*** - This Act shall take effect fifteen (15)
32 days after its publication in the *Official Gazette* or in two (2) newspapers
33 of general circulation.
34

35 Approved,