

HONORABLE MICHAEL L. ROMERO

Chairperson
Committee on Poverty Alleviation
House of the Philippines
Quezon City

Dear **Representative ROMERO**:

This has reference to **House Bill Nos. 856, 2422, 3158, 4366 and 4372** pertaining to several topics, namely, subsidies, such as food assistance, entrepreneurship and livelihood interventions, and Pantawid's conditional cash grants, authored by Representatives Michael Romero, Wilbert T. Lee, Josephine Veronique R. Lacson-Noel and Florencio Gabriel G. Noel, Gus S. Tambunting, and Alfred C. Delos Santos, respectively, filed under the House Committee on Poverty Alleviation.

The Department of Social Welfare and Development (DSWD) supports any legislative measure that continues to reinforce the Department's social protective initiatives in improving the conditions of the most vulnerable and marginalized sectors of society. The Department welcomes any initiative that will strengthen its existing programs and introduce new mechanisms to provide alleviation to current problems and prepare them for future circumstances.

House Bill Nos. 2422, 3158 and 4372 should be consolidated into one bill since these pertain to amendments of Republic Act No. 11310 or the Pantawid Pamilyang Pilipino Program (4Ps) Act. House Bill Nos. 856 and 3158 should be clarified if these are intended to be separate programs with separate beneficiaries independent of the 4Ps. If not, the Committee may consider incorporating all of these bills into one that will strengthen RA 11310 and expand its scope to cover more beneficiaries and provide additional grants.

However, the proposed measures should be carefully studied and reviewed to ensure their viability and effectiveness. The Committee should highly consider the financial capacity of the Government. The introduction of any new program or increased grants in existing programs will entail additional budget that the Government should secure. The Committee should also ensure that there will be no duplication of programs. Regardless, if passed into law, the DSWD will ensure the implementation of the proposed measures accordingly.

Further, the DSWD respectfully submits the following comments and recommendations, to contribute to the bills' enhancement:

I. On House Bill No. 856 – *An Act Creating a Mandatory Cash Transfer Program for the Twelve (12) Million Extremely Poverty-Stricken Filipinos, and for Other Purposes:*

1. The Pantawid Pamilyang Pilipino Program (4Ps) is an existing conditional cash transfer program that already covers 4.4 million poor households. The bill needs to clearly indicate whether this proposal will establish a new program or expand the existing 4Ps;
2. The basis for 12 million Filipinos should be included in the proposed bill. It is not clearly defined whether the 12 million extremely poverty-stricken Filipinos are not the beneficiary 4Ps Program of the government. The bill should clearly identify what sectors will be covered under this proposal. The bill should indicate where to get the data from the 12 million Filipinos;
3. Consider increasing the budget allocation for 4Ps implementation which will allow increasing the number of targeted 4Ps beneficiaries instead of creating a new Cash Transfer Program;
4. If pursued as a separate program, the Committee should consider including Sections for the following:
 - a. *Definition of Terms:* Include in this section the definition *Cash Transfer, Extremely Poor, Extreme Poverty, and mandatory cash transfer;*
 - b. *Coverage of Eligible Beneficiaries:* Include in this section the parameters and mechanism to be used in identifying the 12 million extremely stricken Filipinos. Clearly state the eligibility criteria for this program;
 - c. *Mode of Cash Transfer:* Indicate the amount of grant to be provided to identified beneficiaries. In addition, include the mode of payment and frequency of payout;
 - d. *Conditions for Entitlement:* Provide under this provision the program conditions and compliance;
 - e. *Assessment and Monitoring of the Program:* Include the monitoring mechanism of the proposed program;
 - f. *Appropriations:* Clearly stipulate the necessary amount to carry out the provisions and identify where the budget will originate; and
5. The bill needs to have a thorough review of literature, policy analysis, feasibility study, cost benefit/effectiveness analysis prior to adoption of this program.

II. On House Bill No. 2422 - *An Act Promoting Entrepreneurship and Livelihood for Sustainable Development, Amending for the Purpose Republic Act No. 11310, Otherwise known as "An Act Institutionalizing the Pantawid Pamilyang Pilipino Program (4Ps)"* and House Bill No. 4366 - *An Act Promoting Entrepreneurship and Livelihood in 4Ps, Amending for the Purpose Republic Act No. 11310, Otherwise Known as "An Act Institutionalizing the Pantawid Pamilyang Pilipino Program (4Ps)"*

1. Under Sec. 4:

- a. The rationale provided is not aligned to the contents of the bill. The provision of electricity subsidy to 4Ps households can offset the additional electricity cost incurred by online classes amidst the pandemic but it cannot directly promote the livelihood and entrepreneurship of the beneficiaries;
- b. The bill must identify whether the electricity subsidy is meant to offset the additional cost of electricity incurred due to online schooling or if it is meant to support the online entrepreneurship of 4Ps families. It follows that the prerequisites to get the subsidy differs according to the purpose of the subsidy;

c. On letter (e):

- i. The electric utility grant is a big help to 4Ps beneficiaries, especially to households without electricity. However, the provision of electric utility grants (not less than P500 per year) may not be inclusive as not all poor households have access to electricity. Listahanan 2 results indicate that 1.9 million poor households do not have access to electricity, hence they may not necessarily benefit from the proposed grant;
- ii. Alternatively, the Committee may consider increasing the utility grant to at least six (6) times a year;
- iii. Include alternative provisions for beneficiaries located in geographically isolated and disadvantaged areas (GIDA) that do not have access to electricity. The Committee may consider provision of solar energy and the like for these beneficiaries;

2. Under Sec. 5, Item (g):

- a. Consider including the "working age" individual/s in the family attending the seminar and workshop of concerned agencies. This requirement may be applicable to working age only; and

- b. Specify which agencies will monitor this and submit reports (including frequency of submission) to the DSWD for compliance verification purposes;
- c. The condition of completing at least two (2) livelihood seminar within the second year of enrolment is more like a one-time conditionality which might not be appropriate for a conditional cash transfer program like 4Ps that spans around seven (7) years;

3. Under **Sec. 6:**

- a. An alternative conditionality might be being an active member of a local cooperative. Active membership to a cooperative promotes access of poor households to microfinance, microinsurance, and savings programs, among others;
- b. A program that would link new college graduates of 4Ps families to work opportunities may also be considered to support the economic status of the beneficiary. This potentially would assist beneficiaries in their employment needs and, eventually, contribute to the improvement, if not sustaining, of the households' level of well-being;

4. Under **Sec. 7 - Appropriations:** The provision of electric utility grants can be included in the special provision of the budget for energy with the citation that the allocation is intended for the 4Ps beneficiaries; and

5. **Other Comments:**

- a. Entrepreneurship or livelihood seminars can be integrated as part of the family development sessions (FDS).

III. On **House Bill No. 3158 - *An Act Establishing the Supplemental Nutrition, Livelihood and Employment Assistance Program to Qualified Underprivileged and Unemployed and Appropriating Funds Thereof:***

1. Under **Sec. 3 - The Supplemental Nutrition, Livelihood and Employment Assistance Program:**

- a. The house bill may duplicate other existing programs and services like supplemental feeding program (SFP), sustainable livelihood program (SLP), and Public Employment Service Office (PESO). The proposed assistance programs on supplemental nutrition, livelihood, and employment can be incorporated/ subsumed under the existing DSWD and DOLE programs to avoid duplication;

- b. There must be a target number of beneficiaries to be served given that the government is not capable of providing assistance to all underprivileged, unemployed or underemployed;

2. Under Sec. 4 - Implementing Agency:

- a. Include the Department of Health (DOH) as the mother agency of the National Nutrition Council (NNC);
- b. Also include the Department of Trade and Industry (DTI) among the implementing agencies. The DTI is crucial to identify and to ensure the participation of the establishment which will accept vouchers to be distributed. The location of the far-flung areas should also be considered in the identification of where to purchase goods through vouchers.
- c. On **letter (f)**: The provision is incomplete and needs to be further spelled out;
- d. Pinpoint the main agency responsible in identifying the names of those qualified in the program;
- e. Consider separating the roles of each agency for more separate actions.

3. Other Comments:

- a. The bill may consider instead providing cash assistance directly for those intending to implement livelihood projects and those looking for employment;
- b. Include sections on the following:
 - i. **Definition of Terms:** Include definitions for *Qualified Beneficiaries, Underprivileged, Unemployed, Underemployed* and *Supplemental*;
 - ii. **Coverage:** Include in this provision those who are qualified, validity of the cash voucher and duration of entitlement; and
 - iii. **Manner of Distribution of Cash Voucher;**

IV. On House Bill No. 4372 - *An Act Providing for the Increase of the Minimum Amounts of the Components of Pantawid Pamilyang Pilipino Program (4Ps) Grants:*

1. Under **Sec. 3 - Increased Minimum Amounts for the Components of 4Ps Grants**: The proposed increased minimum amounts for the components of 4Ps Grants must be based on a study. The proponents may wait for the results of the next wave of impact evaluation of 4Ps to be conducted by Philippine Institute for Development Studies (PIDS) to appropriately determine the increase in the amount of cash grants;

2. Under **Sec. 4 - Situation Review / Analysis and Recommendations**:
 - a. Conduct the situation review/analysis proposed under this Section then revise the proposed minimum amount depending on the results of the study;
 - b. Consider including the National Economic and Development Authority (NEDA) in the situation review or analysis to determine the increase of cash grants under the 4Ps and duration thereof;


3. **Other Comments**:
 - a. The proposed increase in 4Ps cash grants must draw from current studies considering that the effects of the COVID-19 pandemic appear to be long-term and that adverse socioeconomic conditions at present may continue due to global conflicts and natural or human-induced disasters;
 - b. The increasing grants will entail additional budget. In a hypothetical setting where all compliant 4Ps families have 1 child enrolled in junior high school and 1 child enrolled in senior high school, it would entail the following additional funding:

Additional funding required/year = 4M families x (proposed-current grant) x frequency				
Grant	Beneficiaries	Proposed - Current Grant	Frequency	Total
Health grant:	4M families	P1100-P750	12	PHP 16.8 Billion
Education Grant: Senior High School	4M families	P900-P700	10	PHP 8 Billion
Education Grant: Junior High School:	4M families	P700-P500	10	PHP 8 Billion
Total Additional Funding Required per Year				PHP 32.8 Billion

This is being submitted for the Chairperson's consideration.

Thank you.

Very truly yours,


ERWIN T. TULFO
Secretary
Date: 04 OCT 2022