

HONORABLE ROSANNA "RIA" V. VERGARA

Chairperson
Committee on Social Services
House of Representatives
Quezon City

Dear **Representative VERGARA**,

The Department of Social Welfare and Development (DSWD) lauds the authors of the House Bill No. 409 entitled: **"P10K Cash Subsidy Act"**, introduced by Representatives Arlene D. Brosas, France L. Castro, and Raoul Danniell A. Manuel.

The DSWD believed that the bill should be further reviewed and studied considering that there are similar programs from our Department and other Government Agencies that are being implemented with the same purpose as this bill. Also, to consider that a one-time cash assistance may promote a culture of mendicancy. Thus, we encourage the authors of the bill to also consider the long-term impact of these grants and focus more on capacitating our fellow Filipino to be self-sufficient and independent in the long run through improved programs and innovative strategies.

To contribute to the bill's enhancement, the DSWD respectfully recommends the following:

1. **General Comments**

- 1.1 Given that this proposed bill is similar in nature with the Targeted Cash Transfer (TCT) as to its objective/purpose and in consideration of the urgency of the need for cash assistance, as well as the coverage of implementation, it is suggested that the proponents pattern it after the TCT program so that budget allocation can be released by the appropriate agency within the year (2022) to the DSWD or other implementing agency/Local Government Unit for the immediate release to the targeted beneficiaries.
- 1.2 The proponents may consider expanding the coverage of the bill to provide not only cash subsidy but also the creation of jobs through the establishment of support of micro and small enterprises. The bill may also utilize DSWD's Sustainable Livelihood Program, which can provide families with sustainable income after the cash subsidy has been provided. Should this bill be pursued, a monitoring mechanism must also be devised to ensure accountability and transparency.
- 1.3 To consider coordinating with DOLE on identifying the most affected workers who have availed of the program and also those who have applied for the program but have not reached the qualification to avail of the said program.

2. **Section 1 – Title**

To revise the long and short title of the bill to indicate the total amount of cash subsidy to be received by eligible beneficiaries.

3. **Section 3 – Definition of Terms**

3.1 For letter (c) Poor – to low income earners- To include the basis of income classification as provided in the bills.

3.2 To validate and/or verify the list by the DSWD, Philippine Statistics Authority (PSA), Department of Labor and Employment (DOLE) and Local Government Units (LGUs).

3.3 To utilize the “poverty threshold” definition of the Philippine Statistics Authority (PSA) in categorizing income classification. Per the PSA, poverty threshold is defined as the minimum income a family or individual must earn in order to cover a family of five basic food and non-food needs, in 2021 is PHP12,030.00

3.4 To define the meaning of ‘nuclear’ and ‘extended’ family.

4. **Section 4 – Cash Subsidy Program**

4.1 To harmonize the giving of cash subsidy with the Assistance to Individuals in Crisis Situations (AICS) of the DSWD.

4.2 To utilize the PSA’s poverty threshold of PHP 12,030, or subsistence threshold, which is defined as the minimum income a family or an individual must earn in order to cover a family of five with basic food requirements, of PHP 8,379 as the basis for the subsidy computation.

4.3 It is suggested to indicate the basis for estimating the number of poor and low-income families to be covered by the cash subsidy program, i.e. 18 million families.

4.4 To explicitly identify the National Government Agency who will be the lead agency in the implementation of the provisions of the proposed law.

4.5 To allot more time for the preparation of the master list to not only ensure that there are no duplicate entries but also so that all necessary information has been provided and certified as true by the submitting parties.

4.6 To include the Department of the Interior and Local Government (DILG) as one of the head agencies to supervise the program.

5. **Section 5 – Eligibility**

5.1 To further develop the scope of eligibility and identify a reliable database for the target beneficiaries so that priority will be given to the poorest of the poor in the event that the number of eligible beneficiary families goes beyond the target of 18 million.

The proposed list of eligible beneficiaries is best sourced out from the LGUs, DOLE, etc.

5.1 It is suggested to include the following:

- Families that are homeless, living in the streets, in pushcart, under the bridge, etc.;
- Families with no means of income;
- Senior citizens, person with disabilities, solo parents, and individuals who are not included in any of the official lists by any government agency, or who were not able to request for any identification document.

6. Section 6 – Form and Manner of Payment

To reiterate the suggestion of harmonizing the giving of cash subsidy with the Assistance to Individuals in Crisis Situations (AICS) of the DSWD.

7. Section 7 – Waiver of Fees

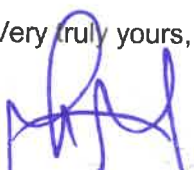
7.1 We suggest further studying the matter since bank and non-bank institutions have different guidelines with regard to the waiver of fees.

7.2 For Bangko Sentral ng Pilipinas (BSP) to spearhead the identification of Financial Service Providers (FSP) who will be tapped/mobilized in the distribution of the PHP 10,000 cash subsidy for two months for free. Should there be no FSPs, the law should include administrative cost including the hiring of personnel under job order to expedite its implementation.

This is being submitted for the Chairperson's consideration.

Thank you.

Very truly yours,



ERWIN T. TULFO

Secretary

Date: 10 OCT 2022