

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

**EIGHTEENTH CONGRESS**  
**First Regular Session**

House Bill No. 1964



---

Introduced by **MAGDALO Party-List Representative**  
**HON. MANUEL DG. CABOCHAN III**

---

**EXPLANATORY NOTE**

Economic growth hardly made a dent in poverty incidence in the Philippines, as the percentage of Filipinos living below the poverty line remained practically the same in the recent years. Reports have also shown that over half a million school-aged children nationwide have been suffering from severe malnutrition. 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. 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 a necessity for the government to provide swift response on this problem.

This bill aims to provide significant and continuing intervention of the government by providing budget 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. It is expected that through this measure, billions of pesos will be generated 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.

  
**MANUEL DG. CABOCHAN III**

*Representative*

Magdalo Para sa Pilipino Party-List

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

House Bill No. 1964

---

Introduced by **MAGDALO Party-List Representative**  
**HON. MANUEL DG. CABOCHAN III**

---

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 House of Representatives of the Philippines in Congress assembled:*

1       **SECTION 1. Short Title.** - This law shall be known as the "*Poverty Alleviation*  
2       *Fund*".

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 free  
6       the people from poverty through policies that provide adequate social services, promote full  
7       employment, a rising standard of living, and an improved quality of life for all.

8  
9       Towards this end and to help combat the growing problem of malnutrition, hunger  
10      and abject poverty particularly among children, the Government shall institute a systematic  
11      and well-studied direct intervention program by conducting sustained supplemental feeding,  
12      targeting school children, out-of-school youth and children of pre-schooling age as well as  
13      related poverty-alleviation efforts using the basic human needs approach, particularly among  
14      those belonging to the poorest of the poor or the lowest twenty percent (20%) of Philippine  
15      social strata in terms of income and resources.

16  
17      **SEC. 3. Creation of a Special Poverty Alleviation Fund.** - There is hereby created a  
18      Special Poverty Alleviation Fund ("Fund") to be funded from the sources provided herein  
19      below and to be managed and administered by the National Anti-Poverty Commission  
20      (NAPC) under a Program to be implemented by the Department of Social Welfare and  
21      Development (DSWD).

1       **SEC. 4. Sources of the Fund.** - The Fund shall be constituted from the following  
2 sources:

- 3
- 4       (a) Ten percent (10%) share from the net income of the Philippine Games and  
5 Amusement Corporation (PAGCOR), to be given and delivered by PAGCOR to  
6 the NAPC on a quarterly basis, no later than ninety (90) days after the end of each  
7 quarter, subject to final accounting and/or adjustments at the end of each calendar  
8 year;
- 9
- 10       (b) Ten percent (10%) share from the net income of the Philippine Charity  
11 Sweepstakes Office (PCSO), to be given and delivered by PAGCOR to the NAPC  
12 on a quarterly basis, no later than ninety (90) days after the end of each quarter,  
13 subject to final accounting and/or adjustments at the end of each calendar year;  
14 and
- 15
- 16       (c) Ten percent (10%) share from the net profits of all Duty Free Shops (DFS) or, in  
17 case of the privatization of the DFS, twenty percent (25%) of the proceeds of  
18 privatization of DFS plus fifty percent (50%) of the franchise tax collected  
19 thereon.
- 20

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

24

25       **SEC. 5. Authorized Use of the Fund; The Program** - The Fund shall principally be  
26 used to finance the National Supplemental Feeding and Poverty Alleviation Program  
27 ("Program"). The Program shall provide for the generation of an annual listing of priority or  
28 target schools, communities, barangays and/or other localities where the Government shall  
29 undertake direct feeding and/or supplemental feeding activities on a sustained basis targeting  
30 school children, out-of-school youth and children of pre-school ages who belong to the  
31 poorest of the poor or the lowest twenty percent (20%) of the Philippine social strata in terms  
32 of income or financial resources. The Program shall also incorporate other poverty-alleviation  
33 efforts using the Minimum Basic Needs (MBN) approach targeted at poor communities.

34

35       The Program shall be prepared by the DSWD for the approval of the NAPC. The  
36 Program shall likewise be implemented by the DSWD.

37

38       In connection with the foregoing, subject to the approval of NAPC, the DSWD shall:

39

- 40       (a) Devise and formulate plans, strategies and programs to carry out effectively and  
41 efficiently the disposition of the Fund in accordance with declared purpose  
42 thereof;

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

2  
3 (c) Authorize expenditures of the Fund as are in accordance with the purpose for  
4 which it was set up; and

5  
6 (d) Exercise such other powers as may be necessary to accomplish the purpose for  
7 which the Fund was created.

8  
9 **SEC. 6. *Limitations.***- The Fund shall not be used for any purpose other than to  
10 finance the feeding and/or supplemental feeding program of the Government, as prepared by  
11 the DSWD and approved by the NAPC. Moreover, no more than three percent (3%) of the  
12 proceeds of the Fund may be used for administrative purposes.

13  
14 **SEC. 7. *Administration and Control of the Fund.***- The Fund shall be under the  
15 control of the DSWD, which shall administer the same in accordance with the above stated  
16 powers, functions and limitations.

17  
18 **SEC. 8. *Investment of the Fund.*** - Any portion of the Fund not otherwise disposed of  
19 as provided for in this Act shall be invested in government securities and such other high-  
20 yielding securities as determined by the DSWD, upon approval of the NAPC. The earnings  
21 therefrom shall accrue to the Fund.

22  
23 **SEC. 9. *Audit.***- The Chairman of the Commission on Audit (COA) shall act as the ex-  
24 officio auditor of the Fund.

25  
26 **SEC. 10. *Annual Report.*** - The Secretary of the DSWD shall submit, within fifteen  
27 (15) working days from the opening of the regular session of Congress, to the President of the  
28 Philippines as NAPC Chair and to the Presiding Officers of both Houses of Congress, an  
29 annual report which shall include an account of the program, projects and detailed expenses  
30 undertaken pursuant to this Act.

31  
32 **SEC. 11. *Penal Clause.***- Any person who fails or refuses to turn over collections of  
33 the charges or shares mentioned in this Act within the period prescribed herein, or who  
34 delays, obstructs or prevents the same; or who fails or refuses to effect release from the Fund,  
35 or who obstructs, or prevents the same; or who orders, causes, or effects the transfer or  
36 diversion of the collections of this Fund shall be punished with a fine not exceeding One  
37 hundred thousand pesos (P 100,000.00) or imprisonment not exceeding six (6) years, or both  
38 at the discretion of the Court. If the offender is a government official or employee, he shall, in  
39 addition, be dismissed from the service with prejudice to reinstatement and with  
40 disqualification for election or appointment to any public office. If the offender is a  
41 corporation or any other juridical entity, the penalty provided herein shall be imposed on its  
42 directors or officers who may be responsible for the violation.

1           **SEC. 12. Rules and Regulation.**- The Secretary of the DSWD, in consultation with  
2 the NAPC, shall promulgate the rules and regulation relating to the collection and remittance  
3 of the revenue sources accruing to the Fund as may be necessary for the effective  
4 implementation of this Act.

5  
6           **SEC. 13. Separability Clause.** - The provisions of this Act are hereby declared to be  
7 separable, and in the event that any part, section or provision of this Act is held invalid or  
8 unconstitutional, no other part, section or provision thereof shall be affected thereby.

9  
10           **SEC. 14. Repealing Clause.**- The pertinent provisions of the National Internal  
11 Revenue Code, as amended, the charters of the PAGCOR and PCSO, as amended, and any  
12 other provisions of law, decree, executive order, letter of instructions, rule or regulation or  
13 parts thereof that are in conflict with any provisions of this Act are hereby repealed, amended  
14 or modified accordingly.

15  
16           **SEC. 15. Effectivity.** - This Act shall take effect fifteen (15) days following the  
17 completion of its publication in the Official Gazette and in two (2) newspapers of general  
18 circulation in the Philippines.

*Approved,*