

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

17<sup>TH</sup> CONGRESS  
1<sup>st</sup> Regular Session

House Bill No. **3854**



Introduced by **EMMANUEL A. BILLONES**

***Explanatory Note***

This bill seeks to create a Special Poverty Alleviation Fund to undertake community-based supplemental feeding program and related poverty alleviation efforts targeting school children, out-of-school youth and children of pre-school ages who belong to the poorest of the poor or the lowest twenty percent of the Philippine social strata in terms of income or financial resources or children who belong to the absolute poverty group.

We often see images on TV and on the internet showing hungry people with no food, running water, often in tattered clothing and no shoes, living in mud houses in run-down communities or slum areas, and we begin to have a sense of what absolute poverty looks like.

People in absolute poverty tend to struggle to live and experience a lot of child deaths from preventable diseases like malaria, cholera and water contamination related diseases and severe malnutrition. Over half a million of them according to the DepEd data are suffering from these maladies.

These children are wittingly and unwittingly bear the burden of dealing with poverty as more often than not these problems are handed to them by generations before them.

In short, absolute poverty is long term in nature and it is now about time to at least prioritize the alleviation of the growing problem of malnutrition, hunger and abject poverty particularly among children.

Thus, passage of this bill is earnestly sought.

  
**EMMANUEL A. BILLONES**  
Representative  
1<sup>st</sup> District, Capiz

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**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 the House of Representatives of the Philippines in Congress assembled:

**Section 1. Short Title.** – This Act shall be known as the “*Poverty Alleviation Fund of 2016.*”

**Sec. 2. Declaration of Policy.** – It is the policy of the State to 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 (Section 9, Article II, 1987 Philippine Constitution).

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

**Sec. 3. Creation of a Special Poverty Alleviation Fund.** – There is hereby create a Special Poverty Alleviation Fund (“Fund”) to be funded from the sources provided herein below and to be managed and administered by the National Anti-Poverty Commission (NAPC) under a Program to be implemented by the Department of Social Welfare and Development (DSWD).

**Sec. 4. Sources of the Fund.** – The Fund shall be constituted from the following sources:

- a) Ten percent (10%) share from the net income of the Philippine Games and Amusement Corporation (PAGCOR), to be given and delivered by

PAGCOR to the NAPC on a quarterly basis, no later than ninety (90) days after the end of each quarter, subject to final accounting and/or adjustments at the then of each calendar year;

- b) Ten percent (10%) share from the net income of the Philippine Charity Sweepstakes Office (PCSO), to be given and delivered by PAGCOR to the NAPC on a quarterly basis, no later than ninety (90) days after the end of each quarter, subject to final accounting and/or adjustments at the end of each calendar year; and
- c) Ten percent (10%) share from the net profits of all Duty Free Shops (DFS) or, in case of the privatization of the DFS, twenty five percent (25%) of the proceeds of privatization of DFS plus fifty percent (50%) of the franchise tax collected thereon.

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

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

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

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

- (a) Devise and formulate plans, strategies and programs to carry out effectively and efficiently the disposition of the Fund in accordance with declared purpose thereof;
- (b) Direct the management, operations and administration of the Fund;
- (c) Authorize expenditures of the Fund as are in accordance with the purpose for which it was set up; and
- (d) Exercise such other powers as may be necessary to accomplish the purpose for which the Fund was created.

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

**Sec. 7. Administration and Control of the Fund.** – The Fund shall be under the control of the DSWD, which shall administer the same in accordance with the above stated powers, functions and limitations.

**Sec. 8. Audit.**— The Chairman of the Commission on Audit (COA) shall act as the ex-office auditor of the Fund.

**Sec. 9. Annual Report.** – The Secretary of the DSWD shall submit, within fifteen (15) working days from the opening of the regular session of Congress, to the President of the Philippines as NAPC Chair and to the Presiding officers of both Houses of Congress, an annual report which shall include an account of the program, projects and detailed expenses undertaken pursuant to this Act.

**Sec. 10. Penal Clause.** – Any person who fails or refuses to turn over collections of the charges or shares mentioned in this Act within the period prescribed herein, or who delays, obstructs or prevents the same; or who fails or refuses to effect release from the Fund, or who obstructs, or prevents the same; or who orders, causes, or effects the transfer or diversion of the collections of this Fund shall be punished with a fine not exceeding One Hundred Thousand pesos (P100,000.00) or imprisonment not exceeding six (6) years, or both at the discretion of the Court. If the offender is a government official or employee, he shall, in addition, be dismissed from the service with prejudice to reinstatement and with disqualification for election or appointment to any public office. If the offender is a corporation or any other juridical entity, the penalty provided herein shall be imposed on its directors or officers who may be responsible for the violation.

**Sec. 11. Rules and Regulations.** – The Secretary of the DSWD, in consultation with the NAPC, shall promulgate the rules and regulation relating to the collection and remittance of the revenue sources accruing to the Fund as may be necessary for the effective implementation of this Act.

**Sec. 12. Separability Clause.** – The provision of this Act are hereby declared to be separable, and in the event that any part, section or provision of this Act is held invalid or unconstitutional, no other part, section or provision thereof shall be affected thereby.

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

**Sec. 14. Effectivity.**—This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette and in two (2) newspapers of general circulation in the Philippines.

Approved,