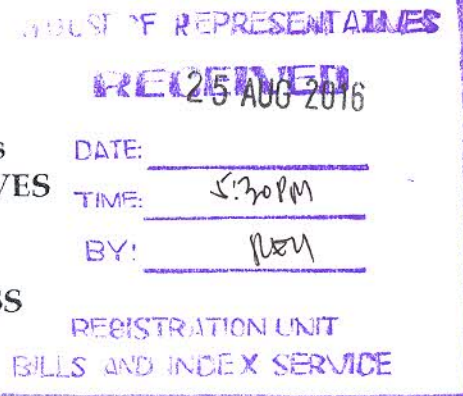


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **3350**



Introduced by: Representative Carlos Roman Uybarreta, I-CARE Party List

EXPLANATORY NOTE

The Philippine government shows its serious efforts to combat poverty through the continuing expansion of the Pantawid Pamilyang Pilipino Program, the Philippine's version of the Conditional Cash Transfer program modeled from Latin American countries. Its objectives as a program help fulfill the country's commitment to meet the Millennium Development Goals, namely: (1) eradicate poverty and hunger (2) achieve universal primary education (3) promote gender equality (4) reduce child mortality, and (5) improve maternal health.

The 2015 census of the Philippine Statistics Authority ("PSA") on Philippine population shows a total population of 100.98 million distributed in the National Capital Region at 12,877,253 with Poverty Incidence of 4.5%; Cordillera Administrative Region at 1,722,006 with Poverty Incidence of 20.6%; Ilocos Region at 5,026,128 with Poverty Incidence of 17.2%; Cagayan Valley 3,451,410 with Poverty Incidence of 16.5%; Central Luzon 11,218,177 with Poverty Incidence of 13.0%; Region IV-A CALABARZON at 14,414,774 with Poverty Incidence of 10.4%; Region IV-B MIMAROPA at 3,416,900 with Poverty Incidence of 22.0%; Bicol Region at 6,278,000 with Poverty Incidence of 30.9%; Western Visayas at 4,477,247 with Poverty Incidence of 24.2%; Central Visayas at 6,041,903 with Poverty Incidence of 24.2%; Eastern Visayas at 4,440,150 with Poverty Incidence at 39.3%; Zamboanga Peninsula at 3,629,783 with Poverty Incidence at 30.9%; Northern Mindanao at 4,799,700 with Poverty Incidence at 34.9%; Davao Region at 4,708,800 with Poverty Incidence at 20.5%; SOCSARGEN at 4,524,000 with Poverty Incidence at 37.4%; CARAGA at 2,799,600 with Poverty Incidence at 35.3%; and ARMM at 3,943,000 with Poverty Incidence at 53.4%.

The PSA Report shows that 21.1% of the population is on poverty threshold. It is alarming to know that we have in our midst 4,145,089 families classified as experiencing this poverty incidence. We have 20 million poor Filipinos who are in dire need of assistance to light their homes and give them the comfort of modern living. It is a well known fact that the presence of electricity in any given area is an engine of growth and development.

All other programs of government will be difficult to find significant change if electricity is not available. How can poor students study at night with no lights to illumine them? How can they ever have any access to information on weather conditions and other news on current affairs if there is no radio powered by electricity? How can we eradicate poverty if their income level will not be able to sustain whatever

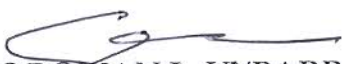
the government has provided them as initial input. A combination of good governance and institutions and policy pillars should find proper combinations to be able to reach our commitment to the Millennium Development Goals.

As of April 2016 the government's rural electrification program has energized 11,352,553 homes through household connections nation-wide implemented thru the 110 Electric Cooperatives under the National Electrification Administration ("NEA"). At 11,352,553 million household connections translated to an average of 5 persons per household is estimated to have served half of the current population of the Philippines. The rest of the population is served by private distribution companies.

As of December 31, 2015, NEA Report shows a total of 101,922 sitios energized, Luzon has 35,780 sitios energized, Visayas has 34,109 sitios and Mindanao has 32,033 sitios energized. By year 2016, it is the target of the NEA to complete 33,000 sitios and this translates to over a million Filipinos living in the hinterlands who will start to live a new life because electricity will be there to make a big difference in their daily living. There are challenges met by implementers of this sitio electrification program such as cross country terrain, and the absence of road network in certain areas and right of way problems. The archipelagic nature of the country separates sitios by bodies of water and bancas are used as transportation mode in the hauling of materials to reach difficult areas.

The government is indeed vent on addressing poverty but it will be at its best if it will establish a "Pantawid Kuryente Program" or a low income home energy assistance program to sustain whatever infrastructure or poverty alleviation program it has put in place. After providing for the infrastructure to provide electricity, the poor beneficiaries will not be able to pay their electric bills and in a few months, they will be forced to have their electricity service cut off. To be able to keep the initiative to move forward and sustain the impetus of growth, the poorest of the poor should be given financial assistance by way of a Php 500 cash transfer to the electric distribution utilities thru the Department of Energy. The NEA thru the 110 Electric Cooperatives nation-wide in coordination with the Department of Social Welfare and Development should be able to come up with a system of identifying the beneficiaries who shall be entitled to this "Pantawid Kuryente Program." This program can also be applied in urban centers where there are low-income home energy consumers. A mechanism for private distribution companies' participation to the program should be similarly established. This amount shall be claimed as a tax credit by the private distribution company as a cooperator to this program. This program is more than just a cash grant. It breaks the cycle of intergenerational poverty through investments in human capital. With the Pantawid Kuryente Program, participants will have more funds to spend for food and other basic necessities and the country will meet its Millennium Development Goals of poverty reduction, health, education and maternal and child welfare and gender equality.

In view of the foregoing, the passage of this bill is earnestly requested.


CARLOS ROMAN L. UYBARRETA
Representative, I-CARE Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **3350**

Introduced by: Representative Carlos Roman L. Uybarreta, I-CARE Party List

**AN ACT ESTABLISHING PANTAWID KURYENTE PROGRAM OR LOW- INCOME
HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) TO HELP REDUCE
POVERTY**

Be it enacted by the Senate and the House of Representatives on the Philippines in
Congress assembled:

Section 1. Short Title. - This Act shall be known as the Pantawid Kuryente Program or
Low Income Home Energy Assistance Program (LIHEAP).

Section 2. Declaration of National Policy. - It is hereby declared to be the national
policy of the State to pursue inclusive growth with the end in view of achieving
significant reduction in poverty. Inclusive growth shall mean economic growth thru
generation of productive employment, access to economic opportunities, provision of
social protection, dispersal of the benefits of economic development and provision of
safety nets to address the welfare of the vulnerable and the needy.

Section 3. Definition. - As used in this Act, the following words or terms shall have the
following meanings, unless provided otherwise:

- (a) Consumers - refers to members of electric cooperatives or private distribution
companies.
- (b) Department of Energy - refers to the government agency created under Republic
Act No. 7638.
- (c) Department of Finance - shall refer to the government agency created under
Reorganization Act No. 2666.
- (d) Department of Social Welfare and Development - shall refer to the government
agency created under Republic Act No. 5416.
- (e) Food Threshold - refers to the minimum income required by an individual to
meet his/her basic food needs and satisfy the nutritional requirements set by the
food and Nutrition Research Institute (FNRI) while remaining economically and
socially productive.
- (d) National Electrification Administration - shall refer to the government agency
created under Presidential Decree 269, as amended.
- (f) Poverty Threshold - similar concept of food threshold but incorporates basic non-
food needs such a clothing, housing, health, education, transportation and utility
expenses i.e., electricity and water.

Section 4. The Department of Energy. - The Department of Energy shall be the lead
agency that will carry out the provisions of this Act. All other attached agencies and

instrumentalities under the Department of Energy shall be utilized for policy and program administration.

Section 5. The National Electrification Administration. - The National Electrification Administration, thru the electric cooperatives, shall act as program administrator of the Pantawid Kuryente or LIHEAP Electric Cooperatives Beneficiaries and shall provide timely reports on the status of beneficiaries. It shall also receive fund releases from the Department of Energy and direct its distribution to the Electric Cooperatives.

Section 6. The Department of Social Welfare and Development. - The Department of Social Welfare and Development shall provide parameters for the accreditation of the Pantawid Kuryente or LIHEAP Beneficiaries and provide a semi-annual status report of poverty incidence nation-wide. It shall also accredit Pantawid Kuryente or LIHEAP beneficiaries served by private distribution companies.

Section 7. The Department of Finance (DOF). - The Department of Finance shall provide the mechanism wherein private distribution companies will be allowed tax credit for Pantawid Kuryente or LIHEAP beneficiaries whose bill shall be charged to the distribution companies. Semi-annual report shall be provided by private distribution companies on the availment of accredited beneficiaries.

Section 8. Appropriations. - The amount of FIVE HUNDRED MILLION PESOS (PhP 500,000,000.00) necessary for the implementation of this act shall be included in the Annual General Appropriations Act or to the Social Development Fund of the Office of the President.

Section 9. Effectivity Clause. - This Act shall take effect fifteen (15) days after the publication in the Official Gazette in at least two (2) national newspaper of general circulation.

Approved.