

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 1127

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Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Article II, Section 9 of the Constitution affirms that the State shall 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.

The present socio-economic condition of our country, however, runs counter to the aforesaid policy of the State. As compared with neighboring Southeast Asian countries, the gap between the rich and the poor is most pronounced in the Philippines based on a study conducted in 2011¹. The study noted that the Philippines registered a Gini coefficient of 44 percent last year, higher than Thailand's 42.5 percent, Indonesia's 39.4 percent, Malaysia's 37.9 percent and Vietnam's 37.8 percent².


Recent reports have shown that despite positive gains, economic growth has been inequitable across sectors of the economy and poverty in the Philippines has actually increased since 2003. In 2009, 26.5% of the population in the country was living in poverty, which equates to 23.14 million people³.

Although there have been efforts to address the crisis of poverty through livelihood programs, with the direct involvement of government agencies and institutions, many problems persist. Lack of coordination among these agencies and wasteful duplication of efforts and initiatives are the most prominent of these problems.

In lieu of this, this bill seeks to establish a National Livelihood Development Council which is tasked to formulate a comprehensive and integrated livelihood development program for the country.

This measure was filed by the Magdalo Party-List in the 16th Congress and was subsequently referred to the Committee on Trade and Industry.

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


HON. GARY C. ALEJANO

¹ Study conducted by research and advisory firm Stratbase Research Institute. Information retrieved from <http://business.inquirer.net/8377/philippines-leads-in-income-inequality-in-asean-says-study> on 2 June 2013.

² *Ibid.* The global ranking was prepared by international group Vision of Humanity using the Gini coefficient, a measure of the inequality of a distribution, as the basis.

³ Information retrieved from <http://ausaid.gov.au/countries/eastasia/philippines/Pages/why-aid.aspx> on 2 June 2013.

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AN ACT
CREATING THE NATIONAL LIVELIHOOD DEVELOPMENT COUNCIL THEREBY
INSTITUTIONALIZING THE LIVELIHOOD MOVEMENT OF THE PHILIPPINES

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

1 **SECTION 1. Title.** – This Act shall be known as the "National Livelihood Development
2 Act of 2016".

3
4 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to free poor
5 Filipinos from the bondage of poverty, improve their living conditions, and them the opportunity
6 to increase their productive and income-earning capabilities through a comprehensive, integrated
7 and effective national development program.

8 The State shall pursue a comprehensive national development program for the socio-
9 economic upliftment of the poorest sector of our population in order to integrate them into the
10 mainstream of society, promote social justice and hasten the development and industrialization
11 of the countryside.

12
13 **SEC. 3. Creation.** - There is hereby created a National Livelihood development Council
14 (NLDC), under the Office of the President of the livelihood-generating activities of all
15 government agencies including government-owned and controlled corporations (GOCCs).

16
17 **SEC. 4. Purpose.** - The Council shall formulate a comprehensive and integrated
18 National Livelihood Development program and oversee bits implementation. It shall also
19

1 create mechanisms and structures to integrate all livelihood initiatives particularly within the
2 government sector.

3

4 **SEC. 5. Powers and Functions.** - The Council shall have the following powers and
5 functions:

6 a. To formulate, in accordance with the bottom-up planning approach and in consultation
7 with the concerned sectors, an integrated and comprehensive national livelihood
8 development program;

9 b. To formulate, in consultation with the concerned sectors, policies, standards, and
10 guidelines which shall govern the implementation of livelihood programs and projects,
11 including the identification and coordination of various types of assistance that should be
12 provided to ensure their effective implementation;

13 c. To review, amend, modify, and approve all livelihood programs submitted by
14 implementing agencies including GOCCs, and to evaluate and recommend the budgetary
15 allocations of resources for all livelihood programs and projects through the Department
16 of Budget and Management (DBM), as well as review and endorse to the National
17 Economic Development Authority (NEDA) all requests for foreign financing whether in
18 the form of grants, donations, or loans;

19 d. To monitor and evaluate the implementation of livelihood programs and projects and
20 institute measures to address identified gaps, as well as decide on whether or not a certain
21 livelihood program or project based on monitoring and evaluation results;

22 e. To establish effective unified mechanisms for program planning and implementation;

23 f. To review, amend, modify, and approve all provincial/city livelihood development
24 programs with national funding to ensure that these conform and are consistent with the
25 various agencies plans and programs;

26 g. To provide and disseminate information and data on livelihood projects initiatives and
27 concerns to agencies concerned and point out actual or possible duplication among
28 livelihood projects;

- 1 h. To authorize expenditures of the Council as may be necessary for the proper, efficient
- 2 and effective administration of the National Livelihood Development Program;
- 3 i. To promulgate rules and regulations as may be necessary for the effective exercise of the
- 4 powers and functions of the Council;
- 5 j. To improve and recommend to the Department of Budget and Management the annual
- 6 and supplemental budgets for the Council;
- 7 k. To create form among themselves such working committees necessary for the efficient
- 8 and effective operation of the Council;
- 9 l. To support the promotion and marketing of livelihood enterprises; and
- 10 m. To provide a continuing education and information dissemination program on enterprise
- 11 management.

12
13 **SEC. 6. *Composition of the Council.*** - The Council shall be composed of a Chairman to
14 be appointed by the President of the Philippines and the following as members:

- 15 a. The most senior official directly responsible for the overall management of livelihood
- 16 programs and projects of the following agencies: the Department of Social Welfare and
- 17 Development (DSWD), the Department of Trade and Industry (DTI), the Department of
- 18 Interior and Local Government, the Department of Agrarian reform (DAR); and the
- 19 Department of Environment and natnral Resources (DENR).
- 20 b. Heads of the Livelihood Corporation and the Technology and Livelihood Resource
- 21 Center;
- 22 c. The most senior official of each Government Financing Institutions directly responsible
- 23 for the overall management of the agency's livelihood assistance program and/or lending
- 24 window;
- 25 d. Head of the NEDA Social Development Committee;
- 26 e. Two (2) non-governmental organization representatives involved in livelihood programs,
- 27 to be chosen by the same sector through a process designed by them;

- 1 f. Five (5) private sector representatives designated by the private sector representatives
2 designated by the Council coming from any of following sectors: agriculture, industry,
3 youth and finance/banking; and
4 g. Two (2) representatives of people's organization to be chosen by the same sector through
5 a process designated by them.
6

7 **SEC. 7. Secretariat.** - To render technical and administrative support, the Livelihood
8 Corporation, created under the Executive Order No. 866, shall provide the Secretariat which
9 shall be headed by an Executive Director to be appointed by the Chairman of the Council.

10 The Secretariat shall work closely with the provincial/city livelihood committees on the
11 aspects of monitoring and evaluating the implementation of livelihood programs.
12

13 **SEC. 8. Local Livelihood Committees.** - The Provincial/City Livelihood Committee shall
14 be composed of the provincial/city representatives of the member government agencies of the
15 Council. The Committees shall report to the Secretariat with respect to the implementation of
16 livelihood programs of the respective agencies in line with policies of the Council. The PLC
17 shall be responsible for preparing a provincial/city livelihood development plan for submission
18 to and approval by the Council. The provincial/city livelihood development plan shall be
19 formulated and implemented with maximum participation and involvement of NGOs and POs in
20 the concerned province/city.
21

22 **SEC. 9. Implementing Guidelines.** - The Council shall formulate and issue within six (6)
23 months after the approval of this Act the necessary implementing guidelines which shall include
24 but not limited to the following:

25 a. Definition of Livelihood Programs and Projects

26 b. Livelihood programs and projects shall include all those activities and schemes
27 involving government funds that are allocated to non-government recipients in order to generate
28 income and employment; and

29 c. Eligibility Criteria

1 To be qualified for appropriate assistance, an individual or group proponent must belong
2 to any of the following categories:

- 3 1. Those who are barely able to survive because of severe material and/or social
4 deprivation and with no regular sufficient income;
- 5 2. Those with regular but low income (i.e., minimum wage);
- 6 3. Micro entrepreneurs and wage earners with regular income above the minimum wage
7 but not sufficient to maintain a family life; and
- 8 4. Small and starting entrepreneurs and professionals, farmers and fishermen with viable
9 operations and projects needing some assistance to stabilize or expand their
10 enterprises.

11

12 The Council shall adopt a framework that recognizes the developmental stages inherent
13 in the objective of graduating as many of the poor outside of the poverty continuum. In this
14 regard, the Council is empowered to identify and/or specify the roles of each government
15 financial institutions.

16

17 **SEC. 10. Powers and Functions of the Council Chairman.** - The Chairman shall have
18 the following powers and functions:

- 19 a. To preside over all meetings of the Council;
- 20 b. To exercise overall supervision of the activities of the Council; and
- 21 c. To execute in behalf of the Council any contract or agreement as may be necessary for
22 proper, efficient and effective administration of the Council.

23

24 **SEC. 11. Powers and Duties of Executive Director.** - The Executive Director shall
25 exercise the following powers and duties:

- 26 a. To execute the policies, guidelines and programs approved by the Council and to be
27 responsible for the efficient discharge of management and operational functions of the Council;
- 28 b. To recommend the organizational structure and staffing pattern of the Secretariat to the
29 Council;

1 c. To review and submit for the consideration and approval of the Council proposed
2 measures, policies, guidelines, and programs, as s/he may deem necessary for the effective
3 implementation of this Act;

4 d. To direct and supervise the day to day operations of the Secretariat; and

5 e. To exercise such powers and functions and perform such other duties as may be vested
6 or imposed upon him by the Council.

7
8 **SEC. 12. Appropriations.** - Such sums as may be necessary to carry out the provisions of
9 this Act shall be included in the General Appropriations Act of the year following its enactment
10 into law and thereafter.

11
12 **SEC. 13. Annual Report.** - The Council shall submit to the President of the Senate and
13 the Speaker of the House of Representatives an annual report on its operations and
14 accomplishments.

15
16 **SEC. 14. Repealing Clause.** - All laws, executive orders, rules and regulations or parts
17 thereof, inconsistent with this Act are hereby repealed, amended, modified accordingly. The
18 provisions of this Act shall not be repealed, amended or modified, unless expressly so provided
19 in subsequent general or special laws.

20
21 **SEC. 15. Effectivity Clause.** - This Act shall take effect fifteen (15) days following its
22 complete publication in the Official Gazette or in a newspaper of general circulation in the
23 Philippines.

Approved,