

MALACAÑANG
MANILA

ADMINISTRATIVE ORDER NO. 21

REVISED IMPLEMENTING RULES AND REGULATIONS GOVERNING REPUBLIC
ACT NO. 8425 OTHERWISE KNOWN AS THE SOCIAL REFORM AND
POVERTY ALLEVIATION ACT

WHEREAS, pursuant to Republic Act No. 8425, or the Social Reform and Poverty Alleviation Act, the Office of the President is mandated to formulate the implementing rules and regulations governing the law;

WHEREAS, poverty alleviation, defined as the reduction of absolute and relative poverty, is one of the core thrusts of government;

WHEREAS, several implementing rules and regulations have been issued relating to the Social Reform and Poverty Alleviation Act, to wit: Administrative Order (A.O.) No. 11 series of 1998, A.O. No. 36 series of 1998 and an unnumbered Implementing Rules and Regulations (IRR) signed on December 23, 1998;

WHEREAS, pursuant to the provisions of the Social Reform and Poverty Alleviation Act and its implementing rules and regulations, the National Anti-Poverty Commission was established to replace the Presidential Commission to Fight Poverty, the Social Reform Council and the Presidential Council for Countryside Development;

WHEREAS, the provisions ensuring wide participation, autonomy and transparency in the selection of representation among the basic sectors mandated in A.O. No. 11 series of 1998 were revoked and repealed by A.O. No. 36 series of 1998 and the unnumbered IRR signed on December 23, 1998;

WHEREAS, the Lead Convenor of the National Anti-Poverty Commission has recommended the repeal of A.O. No. 36 series of 1998 and the unnumbered IRR signed on December 23, 1998, and the issuance of revised implementing rules and regulations complying with the provisions of the Social Reform and Poverty Alleviation Act;

WHEREAS, broad participation shall be ensured to create responsive, accountable, and meaningful representation from the basic sectors.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby promulgate:

RULE I

POLICY AND DEFINITION OF TERMS

SECTION 1. Title. - These Rules shall be known as the Revised Rules and Regulations Implementing the Social Reform and Poverty Alleviation Act.



SECTION 2. Purpose. - These Rules are promulgated to prescribe the procedures and guidelines for the implementation of Title I on the National Anti-Poverty Commission of the Social Reform and Poverty Alleviation Act in order to facilitate compliance therewith and achieve the objectives thereof.

SECTION 3. Declaration of Policy. - It is the policy of the State to:

- (1) Adopt a sustainable, integrated, area-based, sectoral and focused intervention to poverty alleviation wherein every poor Filipino family shall be empowered to meet its minimum basic needs of health, food and nutrition, water and environmental sanitation, income security, shelter and decent housing, peace and order, education and functional literacy, participation in governance and family care and psycho-social integrity;
- (2) Actively pursue asset reform or redistribution of productive economic resources to the basic sectors including the adoption of a system of public spending which is targeted towards the poor;
- (3) Institutionalize and enhance the Social Reform Agenda (SRA), which embodies the results of the series of consultations and summits on poverty alleviation;
- (4) Adopt and operationalize the following principles and strategies as constituting the national framework integrating various structural reforms and anti-poverty initiatives:
 - (a) Social reform shall be a continuing process that addresses the basic inequities in Philippine society through a systematic package of social interventions;
 - (b) The SRA shall be enhanced by government in equal partnership with the different basic sectors through appropriate and meaningful consultations and participation in governance;
 - (c) Policy, programs and resource commitments from both government and the basic sectors shall be clearly defined to ensure accountability and transparency in the implementation of the SRA;
 - (d) A policy environment conducive to sustainable social reform shall be pursued;
 - (e) The SRA shall address the fight against poverty through a multi-dimensional and cross-sectoral approach which recognizes and respects the core values, cultural integrity and spiritual diversity of target sectors and communities;
 - (f) The SRA shall pursue a gender-responsive approach to fight poverty;
 - (g) The SRA shall promote ecological balance in the different ecosystems in a way that gives the basic sectors a major stake in the use, management, conservation and protection of productive resources;



- (h) The SRA shall take into account the principle and interrelationship of population and development in the planning and implementation of social reform programs thereby promoting self-help and self-reliance;
- (i) SRA implementation shall be focused on specific target areas and basic sectors; and
- (j) The SRA shall advocate and institutionalize a multi-sectoral approach towards building social consensus to poverty alleviation at the national and local levels thereby mobilizing the different but potentially complementary capacities, resources and perspectives of civil society, government, and business towards a concerted societal effort at alleviating poverty.

RULE II

THE PHILIPPINE APPROACH TO SOCIAL REFORM AND POVERTY ALLEVIATION

SECTION 1. The Multi-dimensional Approach to Poverty Alleviation.

Strategies or programs of government and civil society shall incorporate the elements that will address each of the four dimensions of the SRA, namely:

a) Economic Dimension - Asset Reform. Asset reform seeks to address the issue of economic inequity by widening the citizens' share of resources, whether natural or manufactured, from which they can earn a living and increase the fruits of their labor. Such reforms necessarily address existing inequities in the ownership, distribution, management and control over such resources. The government shall give priority to the enactment and strict implementation of laws that widen the share of the basic sectors in the resources of society. The government shall likewise undertake budgetary reform to implement asset reform.

b) Social-Cultural Dimension - Access to Quality Basic Services and Protection of the Security of Life, Person, Livelihood, Indigenous Culture and Freedom from Violence. These reforms refer to the equitable control and access to social-cultural services and facilities especially education, health, housing and other basic services. These reforms are necessary to enable the citizens to meet their basic human needs, to live decent lives and to ensure that the benefits of asset reform are equally shared by all its rightful beneficiaries. The government shall therefore work to eliminate all forms of discrimination which cause women, youth and children, the elderly and persons with disability to be further marginalized and excluded even within their own economic sectors.

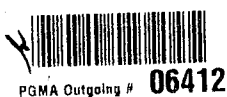
c) Ecological Dimension - Sustainable Use of Productive Resources. These reforms ensure the effective and sustainable utilization of the natural and ecological resource base, thus assuring greater social acceptability and increased participation of the basic sectors in environmental and natural resources conservation, management and development.



d) Governance Dimension - Equal Representation and Participation. These reforms address the issue of political equity and ensure equal participation in all venues in society especially in decision making and management processes that affect their rights, interests and welfare. The government shall ensure that sectoral representation is institutionalized in all levels of government, with particular emphasis on the decision making structures of the different local government units.

SECTION 2. Asset reform. Asset reform requires laws and policies that widen the citizens' share of resources, natural and manufactured, from which they can earn a living or increase the fruits of their labor. Such reforms necessarily address existing inequities in the ownership, distribution, management and control over such resources. Specifically, asset reform shall be obtained through the following sector-specific flagship programs:

- a) Farmers and landless rural workers: ownership, access to and control of tillable lands by the tillers, higher productivity, channels for productivity and fair prices for produce;
- b) Fisherfolk: broader access to and control of aquatic resources, rational and sustainable management of fishery resources and wider availability of fishing and post-harvest facilities;
- c) Urban Poor: broader access to and security in basic needs, particularly housing and land, and broader opportunities for increased income;
- d) Indigenous Cultural Communities: recognition and protection of their ancestral domain rights, basic services and cultural integrity;
- e) Workers in the Formal Sector and Migrant Workers: recognition and protection of their rights to a living wage, humane conditions of work, security of tenure, self-organization and collective bargaining;
- f) Workers in the Informal Sector: protection by labor laws, security in their workplace, protection against harassment and abuse, access to programs and services catering to their special needs and organization into unions, cooperatives and other forms of associations; and
- g) Disadvantaged groups that cut across all sectors, particularly women, youth and students, children, the elderly, persons with disabilities and victims of natural and man made calamities: Comprehensive Integrated Delivery of Social Services (CIDSS) reforms to correct and transform the structures that discriminate against and cause the further marginalization of these groups in all spheres of life, including within their own economic sectors.



Additionally, to support the sectoral flagship programs, the following cross-sectoral flagships shall likewise be instituted:

- a) Institution-building and effective participation in governance;
- b) Sustainable livelihood programs;
- c) Expansion of micro-credit/microfinance services and capability building; and
- d) Infrastructure buildup and development.

RULE III

THE NATIONAL ANTI-POVERTY COMMISSION

SECTION 1. Principles Governing the National Anti-Poverty Commission (NAPC) The NAPC shall be governed by the following principles:

- a) Incorporation of the SRA into the formulation of the development plans at the national, regional, sub-regional and local levels;
- b) Efficiency in the implementation of the anti-poverty programs by strengthening or streamlining present poverty alleviation processes and mechanisms and reducing the duplication of functions and activities among various government agencies;
- c) Coordination and synchronization of social reform and poverty alleviation programs of national government agencies;
- d) Exercise of policy oversight responsibilities to ensure the attainment of social reform and poverty alleviation goals;
- e) Strengthening of local government units to more effectively operationalize the SRA in local development efforts;
- f) Institutionalization of basic sectoral and non-government organizations' (NGO) participation in effective planning, decision making, implementation, monitoring and evaluation of SRA at all levels;
- g) Ensuring adequate, efficient and prompt delivery of basic services to the poor;
- h) Enjoining government financial institutions to open credit and savings windows for the poor and advocating the creation of such windows for the poor among private banking institutions; and



i) Pursuit of poverty alleviation in harmony with sustainable development as embodied in Philippine Agenda 21 and other policies of government.

SECTION 2. Composition of the NAPC. The President of the Republic of the Philippines shall serve as the Chairperson of the NAPC. The President shall appoint the Lead Convenor of the NAPC, either from the government, civil society or private sector, who shall likewise serve as the head of the NAPC Secretariat and shall have the rank of Cabinet Secretary.

There shall be a Vice-Chairperson for the government sector and a Vice-Chairperson for the basic sectors, the former to be designated by the President and the latter to be elected among the Sectoral Representatives of the NAPC.

The members of the NAPC are as follows:

(1) Heads of the following government bodies:

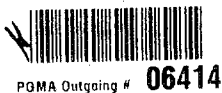
- (a) Department of Agrarian Reform (DAR);
- (b) Department of Agriculture (DA);
- (c) Department of Labor and Employment (DOLE);
- (d) Department of Budget and Management (DBM);
- (e) Department of Social Welfare and Development (DSWD);
- (f) Department of Health (DOH);
- (g) Department of Education, Culture and Sports (DECS);
- (h) Department of the Interior and Local Government (DILG);
- (i) Department of Environment and Natural Resources (DENR);
- (j) Department of Finance (DOF);
- (k) National Economic and Development Authority (NEDA);
- (l) People's Credit and Finance Corporation (PCFC), subject to Section 17 of the Social Reform and Poverty Alleviation Act; and
- (m) Presidential Commission on Urban Poor (PCUP).

(2) Presidents of the Leagues of Local Government Units:

- (a) League of Provinces;
- (b) League of Cities;
- (c) League of Municipalities; and
- (d) Liga ng mga Barangay.

(3) Representatives from each of the following basic sectors:

- (a) Farmers and landless rural workers;
- (b) Artisanal fisherfolk;
- (c) Urban poor;
- (d) Indigenous cultural communities/indigenous peoples;



- (e) Workers in the formal sector and migrant workers;
- (f) Workers in the informal sector;
- (g) Women;
- (h) Youth and students;
- (i) Persons with disabilities;
- (j) Victims of disasters and calamities;
- (k) Senior citizens;
- (l) NGOs;
- (m) Children; and
- (n) Cooperatives.

SECTION 3. Powers and functions of the NAPC. The NAPC shall exercise the following powers and functions:

- (a) Coordinate with different national and local government agencies, civil society and the private sector to ensure full implementation of all social reform and poverty alleviation programs;
- (b) Coordinate with local government units in the formulation of social reform and poverty alleviation programs for their respective areas in conformity with the approaches and flagship programs;
- (c) Recommend policy and other measures to ensure the responsive implementation of the commitments under the SRA;
- (d) Ensure meaningful representation and active participation of the basic sectors;
- (e) Oversee, monitor and recommend measures to ensure the effective formulation, implementation and evaluation of policies, programs and resource allocation and management of social reform and poverty alleviation programs;
- (f) Advocate for the mobilization of funds by the national and local governments to finance social reform and poverty alleviation programs and capability-building activities of the basic sectors;
- (g) Provide financial and non-financial incentives to local government units with counterpart resources for the implementation of social reform and poverty alleviation programs; and
- (h) Submit an annual report to Congress including, but not limited to, all aspects of its operations, programs, project implementation, financial status and other relevant data as reflected by the basic reform indicator.

SECTION 4. Executive Committee. An Executive Committee shall be created to oversee the execution of the powers and functions of the NAPC.



The Executive Committee shall be chaired by the Lead Convenor and shall be composed of the Vice-Chairpersons and two other members from the government and basic sectors.

The Executive Committee shall have the following functions:

- a) Set the agenda for the meetings of the NAPC;
- b) Oversee the implementation of the NAPC Resolutions concerning poverty alleviation programs;
- c) Oversee that grievances are addressed in the appropriate forum; and
- d) Other functions as may be delegated by NAPC.

RULE IV

FLAGSHIP PROGRAMS

SECTION 1. Flagship Programs and Lead Agencies. The NAPC shall determine the framework and direction of flagship programs and designate Flagship Lead Agencies for sectoral and multi-sectoral programs which address the specific and cross-sectoral needs of the basic sectors as provided in the Social Reform and Poverty Alleviation Act.

SECTION 2. Roles and Functions of the Flagship Lead Agencies. The Flagship Lead Agencies shall have the following functions:

- a) Ensure the effective implementation of flagship programs in coordination with other concerned agencies as they address the needs of the basic sectors and rural and urban poor communities;
- b) Identify and facilitate resolution of issues and concerns related to the implementation of flagship programs; and
- c) Undertake regular consultations with their counterpart Sectoral Councils as provided in these Rules.

SECTION 3. Formation of Flagship Teams. The Flagship Lead Agencies shall form teams within their respective agencies to handle the day-to-day implementation of its programs in coordination with other agencies, basic sectors and civil society. They shall designate senior Technical Action Officers (TAO) and alternates as focal persons at the national, regional and local levels.



RULE V

SECTORAL ASSEMBLIES

SECTION 1. Preparatory Committee. The Lead Convenor shall organize and convene a Preparatory Committee of each sector which will in turn organize their respective Sectoral Assemblies.

The Preparatory Committees shall ensure that the Sectoral Assemblies represent a wide range of interests. For purposes of convening the Sectoral Assemblies upon the effectivity of these Rules, the Preparatory Committee of each sector shall be composed of not less than ten (10) and not more than fifteen (15) representatives. As much as possible, the members of the Preparatory Committee shall represent sectoral organizations of different perspectives and persuasions.

Each Preparatory Committee will elect a Chairperson who shall be disqualified from being nominated for the position of Sectoral Representative of the NAPC. However, the elected Chairperson of the Preparatory Committee is qualified to be elected as Chairperson of the Sectoral Assembly.

Subject to the approval of the President, the Preparatory Committees shall have the authority to recommend the organizations that will participate in the Sectoral Assemblies and the criteria for participation. *Provided*, however, that the Preparatory Committees must consider the track record of the organizations and, as much as possible, shall ensure that the delegates come from different perspectives and persuasions. *Provided*, further, that the Preparatory Committees must also consider regional and gender concerns in their process of selection.

Subject to the approval of the President, each Preparatory Committee shall have the authority to draft the proposed ground rules which, among others, shall provide the procedure for discussion, recognition and voting and other matters related to the Sectoral Assembly proceedings. At the commencement of the Sectoral Assembly, the Chairperson of the Preparatory Committee shall open the Sectoral Assembly, present the draft proposed ground rules to be observed by the Sectoral Assembly, and facilitate the election of the Chairperson of the Sectoral Assembly.

Upon the effectivity of these Rules, the Sectoral Council of each basic sector shall be immediately organized in accordance with these Rules. Thereafter, each Sectoral Council shall nominate three (3) nominees to the position of Sectoral Representative. The list of nominees shall be submitted to the President who will appoint the new Sectoral Representatives within thirty (30) days from the submission of the lists. After the initial convening of the Preparatory Committees upon the effectivity of these Rules, incumbent Sectoral Councils shall perform the functions of the succeeding Preparatory Committees.

SECTION 2. Sectoral Assembly. Upon the election of the Chairperson in every



Sectoral Assembly, the elected Chairperson shall take over the role of facilitating the conduct of the Sectoral Assembly. The Chairperson shall immediately proceed with the adoption of the ground rules for the Sectoral Assembly.

To ensure the fairness and objectivity of the selection process of the Sectoral Council, the Chairperson of the Sectoral Assembly shall be disqualified from being nominated for the position of Sectoral Representative.

The Sectoral Assemblies will determine, among others, the composition, powers and functions of their respective Sectoral Councils. In the performance of their functions, the Sectoral Assemblies shall exercise transparency and follow democratic procedures.

Among others, the Sectoral Assemblies shall:

- (a) Set the qualifications required of each member of the Sectoral Councils;
- (b) Establish the process of electing the members of the Sectoral Councils, including replacements in cases of vacancies;
- (c) Elect the members of their respective Sectoral Councils which shall not be less than fifteen (15) nor more than twenty-five (25);
- (d) Set the qualifications required of each nominee to the position of Sectoral Representative;
- (e) Establish the process of selecting the nominees to the position of Sectoral Representative; and
- (f) Determine the powers and functions of the Sectoral Councils, such as the responsibility of coming up with a consensus on anti-poverty programs, including flagship programs and other issues affecting the sector and to assist the Sectoral Representative in the monitoring of the implementation of the flagship program at the local level.

Whenever necessary and upon due notice, the Sectoral Assembly may be convened by the Sectoral Council.

RULE VI

SECTORAL COUNCILS

SECTION 1. Sectoral Councils. The Sectoral Councils shall be the venue wherein the basic sectors will establish a consensus among themselves in all matters concerning the sector, including the nomination and recall of the Sectoral Representatives in the NAPC.

The Sectoral Council shall be composed of at least fifteen (15) sectoral leaders, but not exceeding twenty five (25), and elected through the Sectoral Assemblies as mandated by these Rules.



The Sectoral Councils formed by and among the members of each sector shall respectively nominate three (3) nominees from each sector to the position of Sectoral Representative every three (3) years and in case of a vacancy caused by the death, resignation, recall, physical incapacity or other causes of a Sectoral Representative. Processes that will ensure accountability of every Sectoral Representative to the sector shall be established by the Sectoral Councils.

Immediately upon the election of the Sectoral Councils, they shall consult and confer with the appropriate government departments, including the flagship agencies, in order to define, en flesh and incorporate the poverty reduction framework into the agencies' programs and the sectors' needs. This will include identifying the components of the flagship program on anti-poverty and geographic areas for implementation.

The Sectoral Councils shall convene at least once every quarter to discuss issues and concerns of the sectors with their respective Sectoral Representative.

Not later than one hundred twenty (120) days prior to the end of the term of the incumbent Sectoral Representatives, or not later than thirty (30) days from the occurrence of a vacancy caused by the death, resignation, recall, physical incapacity or other causes of a Sectoral Representative, each Sectoral Council shall act as a Preparatory Committee and organize its Sectoral Assembly. The Sectoral Councils, acting as Preparatory Committees, shall establish the rules of organization of the succeeding Sectoral Assemblies. Among others, these rules shall provide for the admission of new delegates and the expulsion of incumbent delegates. *Provided*, however, that the Preparatory Committees must consider the track record of the organizations and, as much as possible, shall ensure that the delegates come from different perspectives and persuasions. *Provided*, further, that the Preparatory Committees must also consider regional and gender concerns in their process of selection.

Thereafter, each Sectoral Assembly must complete the task of forming the succeeding Sectoral Council within fifteen (15) days in case of vacancy or not later than sixty (60) days prior to the end of the term of the incumbent Sectoral Representatives.

SECTION 2. Recall. To provide an effective mechanism by which the basic sectors can hold the Sectoral Representatives accountable for their undertakings, a procedure for recall shall be instituted by the respective Sectoral Councils. The Sectoral Council to which the erring Sectoral Representative belongs shall be the sole authority to initiate and decide on recall proceedings. A copy of the petition for recall shall be sent to the President through the Lead Convenor. Immediately upon receipt of the petition by the Sectoral Council, it shall convene for the purpose of resolving the petition for recall. Any incumbent Sectoral Representative shall be removed by a two-thirds (2/3) vote of all the members of the Sectoral Council. The decision of the Sectoral Council shall be final and shall be transmitted to the Office of the President



through the Lead Convenor.

Upon their election to office, the Sectoral Councils shall determine, among others, the processes necessary for the recall proceedings. *Provided*, that the grounds for recall shall include, among others, any acts inimical to the interest and autonomy of the basic sectors. *Provided*, further, that the recall processes and procedures shall accord due process to all parties concerned.

RULE VII

SECTORAL REPRESENTATIVES

SECTION 1. There shall be fourteen (14) Sectoral Representatives, each respectively representing the basic sectors enumerated in the Social Reform and Poverty Alleviation Act.

The President of the Philippines shall, within thirty (30) days after the submission of the list of nominees, appoint the Sectoral Representatives from the list submitted by the Sectoral Councils. Sectoral Representatives shall serve for a term of three (3) years without reappointment.

In case of a vacancy in the position of Sectoral Representative due to death, resignation, recall, physical incapacity, or other causes, the Sectoral Council will nominate three (3) nominees. The list of nominees shall be submitted to the President, who will appoint the new Sectoral Representative within thirty (30) days from submission of the list. Appointment to fill any vacancy in the position of Sectoral Representatives shall only be for the unexpired term of the predecessor.

SECTION 2. The Sectoral Representatives, with the assistance of the two nominees, shall, in consultation with the respective Sectoral Councils, formulate and adopt organizational mechanisms and guidelines which shall define the parameters for the participation of the basic sectors in the anti-poverty agenda of the government. The organizational mechanisms and guidelines as formulated by the basic sectors shall be adopted by government as the official document governing the relations between and among sectors, as well as with the government. *Provided*, that the parameters shall ensure principled partnership between the basic sectors and the government. *Provided*, further, that the mechanisms and guidelines may include processes necessary for effective basic sector coordination among themselves.

RULE VIII

MISCELLANEOUS AND FINAL PROVISIONS

SECTION 1. Repealing Clause. All executive orders, issuances, rules and regulations, or parts thereof, inconsistent with the provisions of the Social Reform and



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Poverty Alleviation Act and these Rules are hereby repealed, amended or modified unless expressly provided in subsequent general or special laws. A.O. No. 36 series of 1998 and the unnumbered IRR signed on December 23, 1998 referring to the NAPC are hereby repealed.

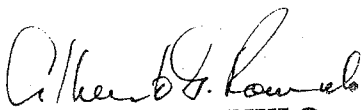
SECTION 2. Separability Clause. If any provision of these Rules is held unconstitutional or invalid, other parts or provisions thereof which are not affected thereby shall continue to be in full force and effect.

SECTION 3. Effectivity. These Rules shall take effect immediately upon publication thereof in a newspaper of general circulation.

City of Manila, November 8, 2001.



By the President:



ALBERTO G. ROMULO
Executive Secretary

