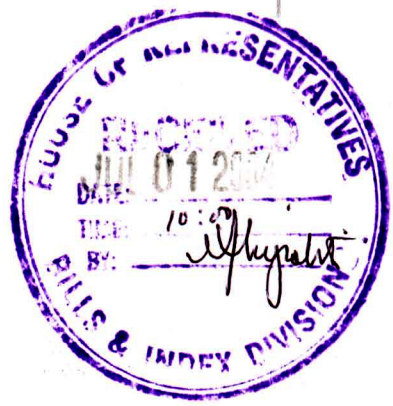
799

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th Congress
First Regular Session

HOUSE BILL NO. 799



Introduced by Representative Abayon

EXPLANATORY NOTE

The Constitution, particularly Section 1 of Article XII, provides:

SECTION 1. The goals of the National Economy are a more equitable distribution of opportunities, income and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.

In our country today almost 70% of those who lived in provincial and rural areas are poor. Most of them belong to the marginalized sectors of society engaged in farming, fishing, cottage industries, vendors, tricycle drivers and the like.

To enable them to improve their lot and lives, one basic need is credit on a collateral-free basis to provide them with the means to engage gainfully in livelihood projects.

The attached bill seeks to provide such credit on a collateral-free basis.

Through the "Paluwagan" system as provided in the bill, a committee, chaired by the President of the Land Bank with the Secretary of the Local Government as vice-chairman and with the DSWD, the NEDA and two (2) representatives of non-government organizations (NGOs) as members will serve as a coordinating body to bring and deliver through their accredited community-based NGOs available funds for livelihood projects to qualified beneficiaries in each community.

The committee should also ensure that proper training and value formation should be instilled among qualified beneficiaries in each community.

Hence, approval of the attached bill is requested.

HARLIN CAST. ABAYON

Republic of the Philippines
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HOUSE BILL NO. 799

Introduced by Representative Abayon

AN ACT ESTABLISHING THE "PALUWAGAN" NG BAYAN," DEFINING ITS PURPOSES AND OBJECTIVES, AND FOR OTHER PURPOSES.

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

SECTION 1. Title. - This Act shall be known and cited as the "Paluwagan ng Bayan Act."

SECTION 2. Declaration of Policy. - The state shall promote and sustain livelihood opportunities for the unemployed and underemployed sector of society through adequate credit and financial assistance programs. Towards this end, the state shall provide the marginalized sector easy access to collateral-free credit in support of livelihood projects through community-based non-government organizations.

SECTION 3. Establishment of the "Paluwagan ng Bayan," hereinafter called "Paluwagan," with the following purposes and objectives:

(a) To utilize community-based Non-Government Organizations(NGOs) as channels of funds for livelihood projects intended for the unemployed and the underemployed population. For purposes of this Act, Non-Governmental Organizations refer to private, non-stock, non-profit organizations registered under Philippine laws and established primarily for civic, charitable, and or social welfare purposes;

(b) To make available the necessary funds through duly accredited community-based NGOs;

(c) To grant loans to the marginalized sector through duly accredited community-based NGOs to finance livelihood projects in such amounts and under such terms and conditions as may be deemed necessary.

SECTION 4. Sources of Funds. – The "Paluwagan" shall be financed from the following:

(a) Existing and future funds for livelihood projects appropriated or to be appropriated to the different departments and agencies of the National Government.

(b) Grants and donations, whether local or foreign, governmental or non-governmental; and

(c) Such other sources as are now provided by existing laws or as may be provided for and/or available in the future.

All funds for livelihood projects in the existing budgets of said departments and agencies shall be identified and earmarked for "Paluwagan" within thirty (30) days after the effectivity of this Act: Provided, however, That said funds shall remain in said departments and agencies.

SECTION 5. Uses. – The "Paluwagan" shall be utilized for the following purposes:

(a) For loans to support or finance livelihood projects for the marginalized sector of society; and

(b) For training programs as may be provided under Section 8 of this Act;

SECTION 6. Mechanics for availment of the "Paluwagan". – A borrower or groups of borrower shall submit their application for loan or loans to community-based NGOs duly registered and accredited under this Act.

Duly accredited community-based NGO's shall exert the necessary effort, within a reasonable time from the effectivity of this Act, to identify likely beneficiaries of the "Paluwagan" in their communities.

SECTION 7. Administration of the "Paluwagan." – For purposes of administering the "Paluwagan" there is hereby created a "Paluwagan" Committee composed of:

(a) The President of the Land Bank of the Philippines as Chairman;

(a) The Secretary of the Department of Interior and Local Government (DILG) as Vice-Chairman

(c) A representative of the National Economic Development Authority (NEDA) with the rank of an undersecretary, as member;

(d) A representative of the Department of Social Welfare and Development (DSWD) with the rank of an undersecretary, as member; and

(e) Two representatives of Non-Governmental Organizations, and to be designated by the Chairman, as members.

The "Paluwagan" Committee shall have the power to administer and manage the "Paluwagan" and prescribe rules and regulations to govern the promotion, registration, regulation and supervision of all Non-Governmental Organizations (NGOs) under this Act. Specifically, it shall have the following purposes:

(a) To call any office, agency, instrumentality or individuals belonging to the government or private sector for such assistance as may be needed;

(b) To register and accredit Non-Governmental Organizations (NGOs) in each community;

(c) To evaluate and approve loans for livelihood projects;

(d) To provide necessary training programs to NGOs for the proper identification and evaluation of livelihood projects for which loans will be granted;

(e) To enhance and facilitate public awareness and interest in pursuing livelihood projects particularly the unemployed and the underemployed;

(f) To issue the necessary rules, regulations and guidelines for the proper implementation of this Act; and

(g) To exercise such other powers and functions as may be necessary for the attainment of the objectives of this Act.

SECTION 9. Repealing Clause.- All laws, decrees, executive orders and similar issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 10. Effectivity. – This Act shall take effect upon its approval.

Approved,