

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

15th Congress
Third Regular Session

COMMITTEE REPORT NO. 2481

Submitted by the Committee on People's Participation on 27 NOV 2012

RE : **House Bill No. 6713**
Recommending its approval in substitution of House Bill No. 4374

Sponsors : Representatives Benjamin D. Asilo, Feliciano Belmonte, Jr., Freddie R. Tinga, Rufus B. Rodriguez, Hermilando I. Mandanas, Maria Isabelle G. Climaco, and Cinchona Cruz-Gonzales

Mr. Speaker:

The Committee on People's Participation to which was referred **House Bill No. 4374** introduced by Hon. Feliciano Belmonte, Jr., et al, entitled:

"AN ACT TO STRENGTHEN NATION-BUILDING THROUGH THE INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM BASED MULTI-SECTORAL PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK, IN ALL LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE COUNTRY, AND FOR OTHER PURPOSES"

has considered the same and recommends that the attached House Bill No. **6713** entitled:

"AN ACT TO STRENGTHEN NATION-BUILDING THROUGH THE INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM BASED MULTI-SECTORAL PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK IN ALL LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE COUNTRY, AND FOR OTHER PURPOSES"

be approved in substitution of House Bill No. 4374, with Representatives Feliciano Belmonte, Jr., Freddie R. Tinga, Rufus B. Rodriguez, Hermilando I. Mandanas, Raul A. Daza, Jesus Crispin C. Remulla, Maria Isabelle G. Climaco, Neptali M. Gonzales II, Edcel C. Lagman, Amado S. Bagatsing, Rodolfo G. Valencia, Juan Edgardo M. Angara, Lucy Marie Torres-Gomez, Winston T. Castelo, Henedina R. Abad,

Jorge John B. Banal, Jr., Bernadette R. Herrera-Dy, and Fatima Aliah Q. Dimaporo as authors and Representatives David L. Kho, Mary Mitzi L. Cajayon, Benjamin D. Asilo, Cinchona C. Gonzales, Edwin DL. Olivarez, Godofredo V. Arquiza, Mark Aeron H. Sambar, Rafalel V. Mariano, Arnel U. Ty, Salvador P. Cabaluna III, Maria Zenaida B. Angping Reena Concepcion G. Obillo, Jerry P. Treñas, Ma. Rachel J. Arenas, Giorgidi P. Aggabao, Eduardo R. Gullas, Ma. Milagros H. Magsaysay, Danilo E. Suarez, Tobias M. Tiangco, Marc Douglas C. Cagas IV, Magtanggol T. Gunigundo I, George P. Arnaiz, Fernando V. Gonzales, and Luis R. Villafuerte, Jocelyn S. Limkaichong, Thelma Z. Almario, Sharon S. Garin, Deogracias B. Ramos, Jr., Mel Senen S. Sarmiento, and Linabelle Ruth R. Villarica as co-authors thereof.

Respectfully submitted,



BENJAMIN D. ASILO

Chairman

Committee on People's
Participation

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Fifteenth Congress

Third Regular Session

6713

HOUSE BILL NO.

(In substitution of HB No. 4374)

INTRODUCED BY SPEAKER FELICIANO BELMONTE, JR., AND REPRESENTATIVES FREDDIE R. TINGA, RUFUS B. RODRIGUEZ, HERMILANDO I. MANDANAS, RAUL A. DAZA, JESUS CRISPIN C. REMULLA, MARIA ISABELLE G. CLIMACO, NEPTALI M. GONZALES, II, EDCAL C. LAGMAN, AMADO S. BAGATSING, RODOLFO, G. VALENCIA, JUAN EDGARDO M. ANGARA, LUCY TORRES-GOMEZ, WINSTON T. CASTELO, HENEDINA R. ABAD, JORGE JOHN B. BANAL, JR., BERNADETTE R. HERRERA-DY, FATIMA ALIAH Q. DIMAPORO, DAVID L. KHO, MARY MITZI L. CAJAYON, BENJAMIN D. ASILO, CINCHONA CRUZ-GONZALES, EDWIN DL. OLIVAREZ, GODOFREDO V. ARQUIZA, MARK AERON H. SAMBAR, RAFAEL V. MARIANO, ARNEL U. TY, SALVADOR P. CABALUÑA III, MARIA ZENaida B. ANGPING, REENA CONCEPCION G. OBILLO, JERRY P. TREÑAS, MA. RACHEL J. ARENAS, GIORGIDI P. AGGABAO, EDUARDO R. GULLAS, MA. MILAGROS H. MAGSAYSAY, DANILO E. SUAREZ, TOBIAS M. TIANGCO, MARC DOUGLAS C. CAGAS IV, MAGTANGGOL T. GUNIGUNDO I, GEORGE P. ARNAIZ, FERNANDO V. GONZALES, LUIS R. VILLAFUERTE, JOCELYN S. LIMKAICHONG, THELMA Z. ALMARIO, SHARON S. GARIN, DEOGRACIAS B. RAMOS, JR., MEL SENEN S. SARMIENTO, AND LINABELLE RUTH R. VILLARICA

AN ACT TO STRENGTHEN NATION-BUILDING THROUGH THE INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM BASED MULTI-SECTORAL PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK IN ALL LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE COUNTRY, AND FOR OTHER PURPOSES

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

1 **Section 1. Short Title.** - This Act shall be known as the "*Filipino Volunteerism*
2 *in Nation- Building (VNB) or Bayanihan sa Bagumbayan (BSB) Act.*"

3 **Sec. 2. Declaration of policy.** - (a) It shall be the policy of the State to promote
4 the participation of the various sectors of Filipino society in public and civic affairs, adopt
5 and strengthen the practice of volunteerism as a strategy in national and local
6 development, and to inculcate the "*Bayanihan*" spirit as a way of life.

7 (b) The State recognizes and respects the vital role of civil society organizations
8 (CSOS), which include, among others, non-government organizations (NGOS), volunteer
9 service organizations (VSOS) and people's organizations (POS), as effective conduits in
10 ~~harnessing people power to promote and achieve nation-building through a strategic~~
11 volunteerism multi-sectoral public-private partnership approach.

12 (c) The State shall ensure the institutionalization of a committed, participative,
13 and sustained partnership between the local government units (LGUS), congressional
14 districts and the private sector in the process of community-building through
15 volunteerism.

16 **Sec. 3. Statement of Goals and Objectives.** – Pursuant to the foregoing policy,
17 the government shall attain the following goals and objectives:

18 (a) To provide a framework for a strategic multi-sectoral public-private
19 partnership through volunteerism;

20 (b) To institutionalize volunteerism as a strategy for local development; and

21 (c) To establish a coordinating mechanism to harmonize national and local
22 volunteering efforts.

23 **Sec. 4. Definition of Terms.**- For purposes of this act, the following terms shall
24 be defined as follows:

25 (a) *Accreditation* refers to the formal recognition by LGUS of CSOs, for the
26 purpose of registering, certifying, and enabling them to participate in the VNB program;

27 (b) *Civil society organizations* refer to NGOs, POs, cooperatives, trade unions,
28 professional associations, faith-based organizations, media groups, indigenous peoples'
29 movements, foundations, and other citizen groups formed primarily for social and

1 economic development, to monitor government programs and projects, engage in policy
2 discussions, and actively participate in collaborative activities with government;

3 (c) *Congressional District* refers to a territorial division which under the 1987
4 Philippine Constitution is entitled to elect one member to the Philippine House of
5 Representatives;

6 (d) *Volunteer* refers to an individual or group who, for reasons arising from their
7 socio-developmental, business and corporate orientation, commitment or conviction,
8 contribute time, service and resources whether on full-time or part -time basis to a just
9 and essential social development cause, mission or endeavor in the belief that their
10 activity is mutually meaningful and beneficial to public interest as well as to themselves;

11 (e) *Volunteer service organization* refers to a local or foreign group that recruits,
12 trains, deploys and supports volunteer workers to programs and projects implemented by
13 them or by other organizations or any group that provides services and resources,
14 including but not limited to, information, capability building, advocacy and networking for
15 the attainment of common good; and

16 (f) *Volunteerism* refers to an act involving a wide range of activities, including
17 traditional forms of mutual aid and developmental interventions that provides an enabling
18 and empowering environment, both on the part of the beneficiary receiving and the
19 volunteer rendering the act, undertaken for reasons arising from socio-developmental,
20 business or corporate orientation, commitment or conviction for the attainment of the
21 public good and where monetary and other incentives or reward are not the primary
22 motivating factors.

23 **Sec. 5. VNB Mission-Vision.** National government agencies (NGAs), LGUs, and the
24 volunteer sector shall be committed to the VNB mission and vision, which shall harness the spirit
25 of volunteerism as stimulus for local development and as a way of life for each Filipino in
26 recognition of the time-honored tradition of “Bayanihan” that has evolved to include the
27 participation of organized groups and institutions as volunteer partners of government in
28 local development and governance. The LGUs and congressional districts shall also
29 perform critical roles in mobilizing, harmonizing, and sustaining volunteering efforts.

1 The VNB program shall harness the support of the abovestated sectors in the
2 following areas of governance: (a) community building through shelter and other
3 infrastructure support; (b) community, child, youth, and maternal health; (c) child and
4 youth education; (d) community entrepreneurship; (e) food sufficiency; (f) gender equality
5 and women empowerment; (g) peace efforts; (h) cultural preservation and promotion;
6 (i) eco- tourism; (j) environmental preservation and protection and (k) micro-finance and
7 livelihood.

8 **Sec. 6. VNB Key National and Cooperating Agencies.** - To harmonize and facilitate
9 the support of various government agencies in the implementation of the VNB, the
10 following NGAs, including their concerned bureaus/attached agencies, shall take lead
11 roles in the following key areas: the Department of Social Welfare And Development in
12 the review and implementation of VNB socio-welfare projects and activities; the Housing
13 and Urban Development Coordinating Council in the approval of the VNB local shelter
14 plan and coordination of all shelter agencies for the provision of support to the VNB
15 program; the Department of the Interior and Local Government in the coordination of
16 LGUs with local VNB projects; the Department of Finance in the promulgation of
17 guidelines for the availment of tax exemption and other related incentives and benefits
18 and for the oversight of their implementation and supervision; and the Department of
19 Budget and Management (DBM) in overseeing and monitoring the budget utilization of
20 concerned lead or cooperating government agencies in the implementation of the VNB
21 program.

22 Other government agencies shall provide the necessary support for the VNB
23 program, namely: Office of the President (OP), National Economic and Development
24 Authority (NEDA), Department of Environment and Natural Resources (DENR), Land
25 Registration Authority (LRA), Department of Trade and Industry (DTI), Technology
26 Resource Center (TRC), Department of Health (DOH), Department of Labor and
27 Employment (DOLE), Department of Education (DepEd), Technical Education and Skills
28 Development Authority (TESDA), Commission on Higher Education (CHED), Department of
29 Public Works and Highways (DPWH), Department of Agriculture (DA), Department of

1 Agrarian Reform (DAR), Department of Energy (Doe), National Electrification Authority
2 (NEA), and Cooperative Development Authority (CDA).

3 **Sec. 7. VNB Coordinating Agency.** - The Philippine National Volunteer Service
4 Coordinating Agency (PNVSCA) shall serve as the coordinating agency for the
5 implementation of the VNB program. More specifically, the PNVSCA shall have the
6 following functions:

7 (a) Formulate and review policies and guidelines on the VNB program;

8 (b) Develop and implement a monitoring and evaluation system for the VNB
9 program;

10 (c) Develop and implement an advocacy campaign for the implementation of the
11 VNB program;

12 (d) Provide a report to the OP and both Houses of Congress on matters related to
13 the implementation of the VNB program; and

14 (e) Administer all funds related to the VNB program.

15 The VNB Program Management Unit shall be created as an attached unit to the
16 Office of the Executive Director of the PNVSCA to perform technical and administrative
17 tasks to carry out the abovementioned functions. This unit shall be headed by an officer
18 who shall supervise a team of volunteer service officers. The PNVSCA, in coordination with
19 the DBM, shall prepare the staffing pattern of the program management unit.

20 **Sec. 8. Inter-Agency Coordinating Committee.** - The existing Multi-Sectoral
21 Advisory Body (MSAB) of the PNVSCA shall serve as the inter-agency coordinating
22 committee which shall perform the following responsibilities:

23 (a) Provide advice in the formulation of policies and guidelines for the VNB
24 program;

25 (b) Serve as link between and among lead and cooperating national government
26 agencies in the implementation of the VNB; and

27 (c) Serve as forum for the review of the VNB implementation with VNB
28 stakeholders.

1 For this purpose, the composition of the MSAB shall be expanded to include
2 HUDCC, DOF, and DBM.

3 The MSAB may call on the other VNB cooperating agencies and concerned
4 institutions on matters pertaining to the implementation of the VNB program.

5 **Sec. 9. VNB Coordinating Desk.** - All lead and other cooperating agencies shall
6 establish their respective VNB coordinating desk or tap existing related unit to serve as the
7 focal unit in coordinating the delivery of support services in the implementation of the
8 VNB.

9 At the LGU, the VNB coordinating desk shall serve as the focal unit to perform, but
10 not limited to, the following functions:

11 (a) Undertake the identification of VNB projects and activities;

12 (b) Accredite volunteer partners for the implementation of VNB projects and
13 activities;

14 (c) Monitor and evaluate the progress of the VNB projects, including submission of
15 reports to the Local Development Council and the MSAB.

16 At the district level, the representative concerned shall designate a VNB liaison
17 officer to serve as the link with the lead and cooperating national government agencies
18 and concerned LGU VNB desk officers.

19 **Sec. 10. Accreditation of VNB Partners and Stakeholders.** - All VNB program
20 partners shall be required to be accredited by LGUs concerned, in coordination with the
21 appropriate agencies, to enable them to participate in the VNB program.

22 A system of accreditation shall be developed for adoption and implementation by
23 the LGUs with proper consultation with the concerned agencies.

24 **Sec. 11. Incentives for VNB Partners and Stakeholders.** - Any VNB and BIR-
25 accredited donor and donee under a VNB program, project, or activity shall enjoy the
26 following incentives:

27 (a) All donations in cash and in kind, including land, all of which are actually,
28 directly and exclusively used by the VNB movement, in its programs, projects, and
29 activities that provide shelter, basic utilities of electricity and water, education,

1 healthcare, livelihood, environment and peace efforts, that shall inure to the benefit of
2 poor communities identified by the PNVSCA shall be fully tax deductible from the gross
3 income of the donor, under the new nomenclature of donations for *"nation-building"*,
4 upon submission to the BIR of the VNB requirements for that purpose. The
5 implementation of this incentive shall be patterned after the applicable provisions on
6 *"Allowable Deductions"* under RA 8424, as amended.

7 (b) A donor's tax exemption shall be enjoyed by the VNB donor, upon submission
8 to the BIR of the VNB requirements for that purpose.

9 The DOF, in coordination with the PNVSCA, the BIR, the BOC, and the DBM shall
10 ~~set the guidelines for the screening, evaluation, and approval of all tax incentives and~~
11 benefits used for VNB purposes, as well as the Implementing Rules and Regulations (IRR)
12 specifically to implement the incentives provided herein. In line with proper fiscal
13 administration policies, the DOF in coordination with VNB, shall determine the compliance
14 criteria for *"utilization"*, *"valuation"*, *"deductibility"*, *"proof of utilization"* and *"proof of*
15 *deductions"* of all VNB donations, whether in cash or in kind, as basis to determine the
16 availment of, and continued applicability or withdrawal of all such tax incentives and
17 benefits, in accordance with RA 8424, as amended.

18 (c) The socialized housing tax as authorized to be imposed by LGUs, under Section
19 43 of RA 7279, otherwise known as *"the Urban Development and Housing Act of 1992"*
20 shall be used as additional government equity under the VNB framework, subject to an
21 inter-agency memorandum of agreement.

22 (d) Priority in the grant of acquired land. The government shall also consider VNB
23 partners as priorities in the grant of land for socialized housing acquired under R.A. No.
24 7279 which shall include community mortgage, land swapping, land assembly or
25 consolidation, land banking, donation to the government, joint-venture agreement,
26 negotiated purchase, and expropriation.

27 (e) All donations from foreign sources to the VNB shall be exempt from customs
28 duties, provided that the donees are duly accredited with the BOC.

1 The mechanics, criteria, qualifications, all documentary proof of donation in cash
2 or in kind, and proof of utilization of donation requirements, and the implementation
3 guidelines for all the incentives and benefits provided under this section, shall be carried
4 out in accordance with the 1987 Constitution, RA 8424, as amended, and other applicable
5 laws, rules and regulations, and shall be included and clearly specified in the IRR, to
6 ensure that these incentives and benefits shall properly benefit the intended recipients, to
7 fully and faithfully implement the true intent and spirit of the VNB Act.

8 The incentives provided under this Act shall be effective for a period of eight (8)
9 years, with one extension of another six (6) years, subject to satisfactory submission of
10 ~~and compliance with all VNB requirements, terms and conditions, including all~~
11 documentary proof of donation in cash or in kind, and proof of utilization of donation
12 requirements, for purposes of the VNB Act. Thereafter, upon evaluation of and
13 recommendation by the PNVSCA-MSAB and the Department of Finance, further extension
14 to the effectivity of the said incentives, and corollarily, to the continued existence and
15 operation of the VNB shall be subject to congressional action.

16 **Sec. 12. *Incentives for VNB Volunteers.*** – All VNB program partners shall provide
17 volunteers with recognition and incentive package.

18 **Sec. 13. *Special Provision. - VNB Framework Guide Book.*** - A VNB Framework
19 Guide Book shall be prepared and disseminated to all LGUs and congressional districts to
20 assist them in the implementation of the VNB program.

21 **Sec. 14. *Appropriations.*** The amount necessary to implement the provisions of
22 this Act shall be included in the annual General Appropriations Act.

23 The LGUs shall likewise allocate the necessary funds for the implementation of the
24 VNB program.

25 **Sec. 15. *Implementing Rules and Regulations (IRR).***– The PNVSCA, in
26 consultation with the MSAB, the DSWD, the HUDCC, the DILG, the DOF, and the DBM,
27 shall promulgate the implementing rules and regulations (IRR) necessary to implement
28 this Act within sixty (60) days after its effectivity.

1 **Sec. 16. Separability Clause.** – If any provision of this Act is declared invalid or
2 unconstitutional, other provisions hereof which are not affected thereby shall remain in
3 full force and effect.

4 **Sec. 17. Repealing Clause.** – Any law, Presidential Decree or issuance, Executive
5 Order, Letter of Instruction, Administrative Order, rule, or regulation contrary to or
6 inconsistent with any provision of this Act is hereby repealed, amended, or modified
7 accordingly.

8 **Sec. 18. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
9 complete publication in the *Official Gazette* or in any newspaper of general circulation.

10 Approved,

HOUSE OF REPRESENTATIVES

COMMITTEE AFFAIRS DEPARTMENT

FACT SHEET

House Bill No. 4374

(As Approved on November 20, 2012)

FILIPINO VOLUNTEERISM IN NATION BUILDING (VNB) ACT OF 2012

Introduced by: SPEAKER FELICIANO BELMONTE, JR., REPRESENTATIVES FREDDIE R. TINGA, RUFUS B. RODRIGUEZ, HERMILANDO I. MANDANAS, RAUL A. DAZA, JESUS CRISPIN C. REMULLA, MARIA ISABELLE G. CLIMACO, NEPTALI M. GONZALES, II, EDCEL C. LAGMAN, AMADO S. BAGATSING, RODOLFO G. VALENCIA, JUAN EDGARDO M. ANGARA, LUCY TORRES-GOMEZ, WINSTON T. CASTELO, HENEDINA R. ABAD, JORGE JOHN B. BANAL, JR., BERNADETTE R. HERRERA-DY, FATIMA ALIAH Q. DIMAPORO, DAVID L. KHO, MARY MITZI L. CAJAYON, BENJAMIN D. ASILO, CINCHONA CRUZ-GONZALES, EDWIN DL. OLIVAREZ, GODOFREDO V. ARQUIZA, MARK AERON H. SAMBAR, RAFAEL V. MARIANO, ARNEL U. TY, SALVADOR P. CABALUNA III, MARIA ZENAIDA B. ANGPING, REENA CONCEPTION G. OBILLO, JERRY P. TREÑAS, MA. RACHEL J. ARENAS, GIORGIDI P. AGGABAO, EDUARDO R. GULLAS, MA. MILAGROS H. MAGSAYSAY, DANILO E. SUAREZ, TOBIAS M. TIANGCO, MARC DOUGLAS C. CAGAS IV, MAGTANGGOL T. GUNIGUNDO I, GEORGE P. ARNAIZ, FERNANDO V. GONZALES, LUIS R. VILLAFUERTE, JOCELYN S. LIMKAICHONG, THELMA Z. ALMARIO, SHARON S. GARIN, DEOGRACIAS B. RAMOS, JR., MEL SENEN S. SARMIENTO, AND LINABELLE RUTH R. VILLARICA

Committee Referral : COMMITTEE ON PEOPLE'S PARTICIPATION

Committee Chairperson: REP. BENJAMIN D. ASILO

OBJECTIVES:

- To encourage the various sectors of society to volunteer and become partners of government in nation-building.
- To institutionalize the Volunteerism in Nation-Building (VNB) framework and sustain the partnership among the national government agencies, the local government units (LGUs), the congressional districts, and the civil society organizations (CSOs) in community and nation-building.

KEY PROVISIONS:

- Defines the mission and vision of the VNB Framework, which shall enjoin all sectors to practice "bayanihan" and harness volunteerism to stimulate local and national development.

- Provides the key areas of governance where volunteerism shall be harnessed.
- Enumerates and defines the roles of key VNB national and cooperating agencies such as the Departments of Social Welfare and Development, of the Interior and Local Government, of Finance, of Budget and Management and the Housing and Urban Development Coordinating Council.
- Mandates the Philippine National Volunteer Service Coordinating Agency (PNVSCA) to serve as the VNB coordinating agency and creates a VNB Program Management Unit for the purpose.
- Provides that the existing Multi-Sectoral Advisory Body (MSAB) act as the inter-agency coordinating committee for VNB programs and projects.
- Mandates the creation of VNB Coordinating Desks to ensure the delivery of support services in the implementation of VNB programs and projects.
- Requires all VNB partners to undergo accreditation under concerned LGUs.
- Enumerates the incentives for VNB partners and stakeholders, which include: (a) tax deductions, (b) donor's tax exemptions, (c) equities from the proceeds of the Socialized Housing Tax under RA 7279, (d) priority in the grant of acquired land, and (e) exemptions from customs duties.
- Provides that the incentives shall be effective for a period of eight (8) years, with one extension of another six (6) years, after which these will be subject to congressional action.
- Mandates that the amount necessary for the implementation of the Act shall be included in the General Appropriations Act and recommends that the LGUs allocate the necessary funds for its implementation at the local level.
- Includes representatives from the PNVSCA, the DSWD, the HUDCC, the DILG, the DOF, and the DBM in the drafting of the IRR.

RELATED LAWS:

- Republic Act No. 9418, entitled, "*An Act Institutionalizing a Strategy for Rural Development, Strengthening Volunteerism and for other Purposes*" enacted on April 10, 2007
- RA No. 7160 or the "*Local Government Code of 1991*"
- RA No. 7279, or the "*Urban Development and Housing Act of 1992*"
- RA No. 8424, or the "*Tax Reform Act of 1997*"



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

November 20, 2012

HON. BENJAMIN D. ASILO
Chairman
Committee on People's Participation

Dear Chairman Asilo:

Please be informed that the Committee on Appropriations, in its meeting held today at Conference Rooms 3 & 4, Ramon V. Mitra Building, approved to report out Substitute Bill to House Bill No. 4374, titled **"AN ACT TO STRENGTHEN NATION-BUILDING THROUGH THE INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM BASED MULTI-SECTORAL PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK, IN ALL LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE COUNTRY, AND FOR OTHER PURPOSES"** with the following amendments:

1. On Sec. 7, page 6, line 4, after the preposition "by" change the article "A" to article **AN** and delete the succeeding phrase **"SUPERVISING VOLUNTEER SERVICE"**.
2. On Sec. 12, page 9, lines 12-13, delete the phrase starting with the word "which" up to the word "privileges".
3. On Sec. 14, same page, lines 17-26, delete the entire provision and in lieu thereof substitute the following:

SECTION 14. APPROPRIATIONS. THE AMOUNT NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS ACT SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

THE LGUs SHALL LIKEWISE ALLOCATE THE NECESSARY FUNDS FOR THE IMPLEMENTATION OF THE VNB PROGRAM.

It is also suggested that on Section 11, page 9, line 6, the acronym "VNB-JCOC" be replaced by **PNVSCA-MSAB AND THE DEPARTMENT OF FINANCE**. This is considering that the Section on the Joint Congressional Oversight Committee is already deleted. Likewise, reference to the Office of the President should be ~~deleted inasmuch as the PNVSCA shall serve as the coordinating agency for the~~

implementation of the VNB Program, thereby creating a "VNB Management Office."

Moreover, the following members signified their intentions to be co-authors of the substitute bill, namely: Reps. Sharon Garin, Deogracias B. Ramos, Jr., Linabelle Ruth R. Villarica, Jocelyn S. Limkaichong, Thelma Z. Almario and Mel Senen S. Sarmiento

Thank you.

Very truly yours,



REP. JOCELYN S. LIMKAICHONG
Chairperson
Committee on Appropriations

cc: Speaker Feliciano Belmonte, Jr.
Deputy Speaker Raul A. Daza
Deputy Speaker Jesus Crispin C. Remulla
Deputy Speaker Maria Isabelle G. Climaco
Majority Leader Neptali M. Gonzales II
Hon. Freddie R. Tinga
Hon. Rufus B. Rodriguez
Hon. Hermilando I. Mandanas



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

HERMILANDO I. MANDANAS

*Chairman
Committee on Ways and Means*

November 29, 2011

HON. BENJAMIN D. ASILO

*Chairman
Committee on People's Participation
House of Representatives*

Dear Chairman Asilo:

The Committee on Ways and Means in its meeting today, November 29, 2011 has approved the Substitute Bill to House Bill No. 4374 entitled:

**AN ACT TO STRENGTHEN NATION BUILDING THROUGH THE
INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM BASED MULTI-
SECTORAL PUBLIC PRIVATE PARTNERSHIP FRAMEWORK IN ALL LOCAL
GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE
COUNTRY, AND FOR OTHER PURPOSES**

By: Speaker Feliciano Belmonte, Jr., Representatives Freddie R. Tinga, Rufus B. Rodriguez, Hermilando I. Mandanas, Raul A. Daza, Jesus Crispin C. Remulla, Maria Isabelle G. Climaco, Neptali M. Gonzales, II, Edcel C. Lagman, Amado S. Bagatsing, Rodolfo G. Valencia, Juan Edgardo M. Angara, Lucy Torres-Gomez, Winston T. Castelo, Henedina R. Abad, Jorge John B. Banal, Jr., Bernadette R. Herrera-Dy, Fatima Aliah Q. Dimaporo, David L. Kho, Mary Mitzi L. Cajayon, Benjamin D. Asilo, Cinchona Cruz-Gonzales, Edwin DL. Olivarez, Godofredo V. Arquiza, Mark Aeron H. Sambar, Rafael V. Mariano, Arnel U. Ty, Salvador P. Cabaluña III, Maria Zenaida B. Angping, Reena Concepcion G. Obillo

with amendments to Section 10 and subject to style, shall now read as follows:

"SEC. 10. Incentives for VNB Partners and Stakeholders. - Any VNB and BIR- accredited Donor and Donee under a VNB program, project or activity shall enjoy the following incentives:

a.) All donations in cash and in kind, including land, all of which are actually, directly and exclusively used by the VNB movement, in its programs, projects, and activities that provide shelter, basic utilities of electricity and water, education, healthcare, livelihood, environment and peace efforts, that shall inure to the benefit of poor communities identified by the VNB Central Office shall be fully tax deductible from the gross income of the donor, under the new nomenclature of donations for "*nation-building*", upon submission to the BIR of the VNB requirements for that purpose. The implementation of this incentive shall be patterned after the applicable provisions on "*Allowable Deductions*" under RA 8424, as amended.

b.) A donor's tax exemption shall be enjoyed by the VNB donor, upon submission to the BIR of the VNB requirements for that purpose.

The DOF, in coordination with the OP, DOF with the BIR and the BoC, the DBM and the VNB Secretariat, shall set the guidelines for the screening, evaluation, and approval of all tax incentives and benefits used for VNB purposes, as well as the IRR specifically to implement the incentives provided herein. In line with proper fiscal administration policies, the DOF in coordination with VNB, shall determine the compliance criteria for "*utilization*", "*valuation*", "*deductibility*", "*proof of utilization*" and "*proof of deductions*" of all VNB donations, whether in cash or in kind, as basis to determine the availment of, and continued applicability or withdrawal of all such tax incentives and benefits, in accordance with RA 8424, as amended.,

C) THE SOCIALIZED HOUSING TAX AS AUTHORIZED TO BE IMPOSED BY LOCAL GOVERNMENT UNIT'S (LGUs), UNDER SECTION 43 OF RA 7279: OTHERWISE KNOWN AS "THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992", SHALL BE USED AS ADDITIONAL GOVERNMENT EQUITY UNDER THE VNB FRAMEWORK, SUBJECT TO AN INTER-AGENCY MEMORANDUM OF AGREEMENT.

d) Priority in the grant of acquired land: The Government shall also consider VNB partners as priorities in the grant of land for socialized housing acquired under R.A. No. 7279 which shall include community mortgage, land swapping, land assembly or consolidation, land banking,

donation to the Government, joint venture agreement, negotiated purchase, and expropriation.

E) ALL DONATIONS FROM FOREIGN SOURCES TO THE VNB SHALL BE EXEMPT FROM CUSTOMS DUTIES, PROVIDED THAT THE DONEES ARE DULY ACCREDITED WITH THE BOC.

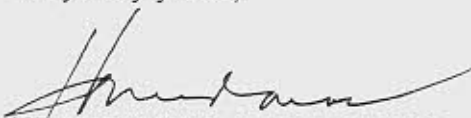
The mechanics, criteria, qualifications, all documentary proof of donation in cash or in kind, and proof of utilization of donation requirements, and the implementation guidelines for all the incentives and benefits provided under this Section, shall be carried out in accordance with the 1987 Constitution, RA 8424, as amended, and other applicable laws, rules and regulations, and shall be included and clearly specified in the IRR, to ensure that these incentives and benefits shall properly benefit the intended recipients, to fully and faithfully implement the true intent and spirit of the VNB Act.

The incentives provided under this Act shall be effective for a period of eight (8) years, with one extension of another six (6) years, subject to satisfactory submission of and compliance with all VNB requirements, terms and conditions, including all documentary proof of donation in cash or in kind, and proof of utilization of donation requirements, for purposes of the VNB Act. THEREAFTER, UPON EVALUATION OF AND RECOMMENDATION BY THE VNB-JCOC TO THE OFFICE OF THE PRESIDENT, FURTHER EXTENSION TO THE EFFECTIVITY OF THE SAID INCENTIVES, AND COROLLARILY, TO THE CONTINUED EXISTENCE AND OPERATION OF THE VNB SHALL BE SUBJECT TO CONGRESSIONAL ACTION.

The following House Members also manifested co-authorship to the substitute bill: Representatives Giorgidi P. Aggabao, Eduardo R. Gullas, Ma. Milagros H. Magsaysay, Danilo E. Suarez, Tobias M. Tiangco, Marc Douglas C. Cagas, IV, Magtanggol T. Gunigundo, I, George P. Arnaiz and Fernando V. Gonzalez.

Thank you.

Very truly yours,


HERMILANDO I. MANDANAS



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4374

INTRODUCED BY

Speaker Feliciano Belmonte, Jr., Representatives Freddie R. Tinga, Rufus B. Rodriguez, Hermilando I. Mandanas, Raul A. Daza, Jesus Crispin C. Remulla, Maria Isabella G. Climaco, Neptali M. Gonzales, II, Edcel C. Lagman, Amado S. Bagatsing, Rodolfo G. Valencia, Juan Edgardo M. Angara, Lucy Torres-Gomez, Winston T. Castelo, Henedina R. Abad, Jorge John B. Banal, Jr., Bernadette R. Herrera-Dy, Fatima Aliah Q. Dimaporo

EXPLANATORY NOTE

"LESS FOR SELF, MORE FOR COUNTRY, ABUNDANCE FOR ALL"

This is the motto that every *Volunteer for Nation Building*, strives to live by, as he or she works individually and solidarity--hand-in-hand, with other volunteers across the country and beyond Philippine shores, as they collectively envision our Filipino people living with dignity and in peace, in a slum-free, squatter-free, poverty-free Philippines by the year 2024.

Building viable, sustainable and empowered communities, in the Philippines embodies the faith that Filipinos will end poverty in the Philippines through: (1) public-private partnerships; (2) simultaneous ground-up and top-down development initiatives; (3) rich and poor working together, bridging the social gap; and (4) the principle of the "best for the least" and preferential option for the least fortunate giving those at the bottom of the social and economic pyramid upward aspirations to build a broader middle-class with enlightened leadership from the Government and private sectors.

The goal of this legislation is to encourage the private sector to be a supporter of Government, not just its critic, to restore the faith of our citizens in our Government institutions through collaboration and cooperation for the

the private sector, to go beyond partisan politics, religious and ideological differences and business rivalries, and to build a just and prosperous nation—by making every Filipino a *nation builder*.

The 1987 Philippine Constitution is replete with provisions that promote social-economic and poverty alleviation programs, equitable distribution of opportunities, income and wealth to uplift the standard of living and quality of life of all citizens, with the help of independent non-governmental people's organizations to pursue and protect, citizens interest and welfare, within a democratic framework, through community-based initiatives.

The Local Government Code of 1990 recognizes the critical role of Civil Society Organizations (CSOs) which include Non-Government Organizations (NGOs), Volunteer Organizations (VOs) and People's Organizations (Pos) in nation-building, and empowers local government units (LGUs) to enter into joint ventures and such other cooperative arrangements to engage in the delivery of certain basic services, capacity-building and livelihood projects, and to develop local enterprises designed to improve the productivity and income levels of Filipinos.

The United Nations Universal Declaration of Human Rights also supports the fostering of a covenant between the State and civil society towards the protection of the rights and the enhancement of human dignity, by diffusing wealth and political power and reducing or removing economic, social and cultural injustices and barriers for the common good.

In the Philippines, Gawad Kalinga or GK, has trail blazed the socio-economic-political frontiers of Philippine society by employing a unique tool for change called: "Social Engineering", which exemplifies the "Bayanihan" spirit of "volunteerism" coupled with "caring" or kalinga. "Bayanihan" and "kalinga" are indigenous Filipino practices/traits that can be traced to our pre-colonial forefathers. The *Bayanihan spirit* evokes of local heroism and patriotism, in the midst of the Filipino people's struggle to fight poverty and other social inequities.

GK's trademark is its capacity to mobilize multi-sectoral initiatives from the ground, by marshaling its "capital resources" of: TRUST equity, SWEAT equity, plus its sterling record of RESPECT and INTEGRITY with its partners and various stakeholders from the Government, the private sector, international agencies, foreign governments, interfaith groups, the academe and CSOs. The GK approach is hinged on effectively drawing out core Filipino values of faith and patriotism, of generosity and sharing. And its "secret" formula to success is a genuine and sincere stewardship founded on unwavering TRUSTWORTHINESS.

GK as an emerging Philippine and Asian "Model of Development", has been instrumental as the "converging point for multi-sectoral partnerships" and as a "Template for Good Governance" engaged in: community building through shelter and other infrastructure programs; community child, youth and maternal health; child and youth education; community entrepreneurship, livelihood and

micro-finance; food sufficiency; gender equality and woman empowerment; peace efforts; culture, eco-tourism and environmental preservation and protection.

All these socio-economic themed programs are in line with the eight-point Millennium Development Goal's (MDGs) which the Philippines, as a signatory to the United Nations Millennium Declaration has committed to achieve by the year 2015. Recently, GK has also fostered "peace builds" for displaced Muslim Filipinos in Mindanao, in the aftermath of strife and natural calamities.

The fifteen-year solid track-record of GK in continuously providing a Filipino model for modern day community growth and development, through a "trust-based" merging of multi-sectoral public-private partnership, and the "bridging-molding-shepherding" by GK among the poor informal settlers in the country, of the values of self-help and self-empowerment, through the delivery of basic needs: land and shelter, food, healthcare, livelihood, all contributing to the development of 2,000 communities nationwide, to rise-out-of extreme poverty---IS PROOF and a testament to the effectiveness of the GK framework of grassroots community building, that indeed in inspiring the poor to help themselves become self-reliant through "bayanihan" and "kalinga", we Filipinos can end poverty in the Philippines within our generation.

With an economy that is anchored on frail economic fundamentals: a budget deficit hitting the Php 325 Billion mark by the end of year 2010, with 34 % of the population jobless, and a high poverty rate of 26 %---all of these will have a negative impact on whatever poverty alleviation programs, the Philippine Government has lined up for implementation in the current and coming years. And hardest to be hit shall be the delivery of basic services to the marginalized Filipinos.

During this free-market, capitalist and fiscally challenging times, when the world is still reeling from the inundation of the global economic crisis and financial recession, there is an urgent need to seek out doable alternative methods of solving poverty and homelessness, through a strategic "mini-max" sourcing and utilization of limited but available public resources, and the provision of incentives and a "social transformation fund" as Government's counterpart---these in tandem with the material and incorporeal equity that Gawad Kalinga can harness, within a structure of collaborative tripartite public-private partnership among stakeholders: the National Government, Congressional Districts and LGU's and local CSOs + the constituents of the locality + private corporate and multi-sectoral partners, to implement a holistic community building and township development program.

It is about time that the *Volunteerism In Nation Building* framework be institutionalized as a means to directly link the various sectors of society: the public sector, the private sector and the CSOs, through a Government initiated national development plan on *alternative poverty eradication*, patterned after the

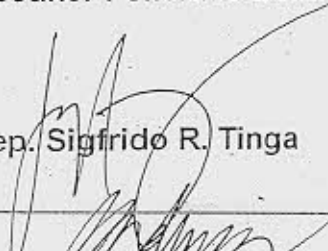
innovative "Gawad Kalinga Way" of multi-sectoral resources generation and mobilization for sustainable human development.

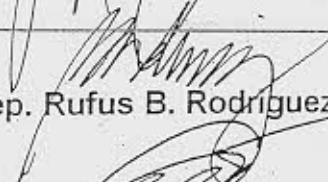
We have seen how GK, which started as a diminutive "outreach group"--- evolve into a distinctive Filipino model for community development, has made it possible to turn the tide of social transgressions in our country, by addressing poverty, homelessness, and class struggles, while transcending traditional politics, commercial rivalries and ethnocentric interests. In all these, we find inspiration that we *can* BUILD a NATION that every PINOY can be proud of.

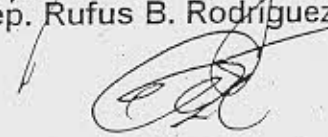
With hope, optimism, concrete action and a united stand by the entire country, the community development approach of GK, which in a nutshell, advocates "THE POLITICS OF CARING, THE ECONOMICS OF SHARING AND THE CULTURE OF HEROISM", and embracing these as the new culture and norm of our times, making it a "*Bayaning Pilipino-Bayanihan ng Sambayanan*" movement together with other volunteerism groups, under the inclusive framework of "Nation Building", shall be the *catalyst* to "bring the Philippines out of the Third World; and make it a First World nation".¹

In view of the foregoing, our united support, to approve this piece of legislation is humbly sought.


Speaker Feliciano Belmonte, Jr.


Rep. Sigfrido R. Tinga


Rep. Rufus B. Rodriguez


Rep. Amado S. Bagatsing

Rep. Mar-Ien Abigail S. Binay

¹ Mr. Tony Meloto of Gawad Kalinga, Philippine Daily Inquirer, 2008.

Rep. Raul A. Daza 

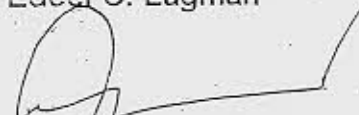
Rep. Lorenzo R. Tanada, III ✓

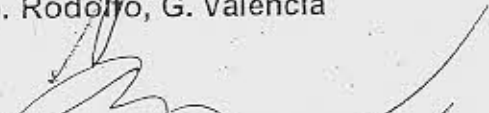
Rep. Hermilando I. Mandanas 

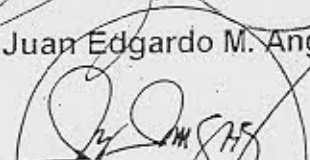
Rep. Joseph Emilio A. Abaya ✓

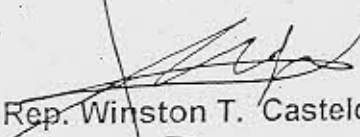

Rep. Neptali M. Gonzales, II


Rep. Edcel C. Lagman

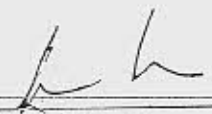

Rep. Rodolfo, G. Valencia


Rep. Juan Edgardo M. Angara ✓


Rep. Lucy Torres Gomez


Rep. Winston T. Castelo ✓

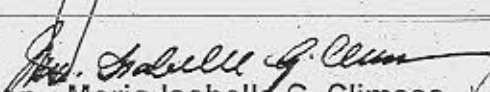

Fatima Aliah Q. Dimaporo ✓

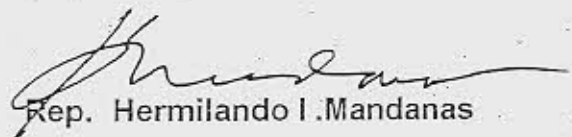

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Rep. Arnulfo P. Fuentebella ✓


Rep. Jesus Crispin C. Remulla

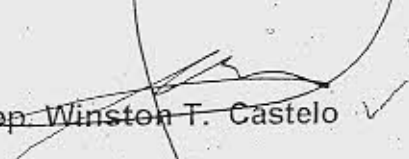

Rep. Maria Isabella G. Climaco ✓

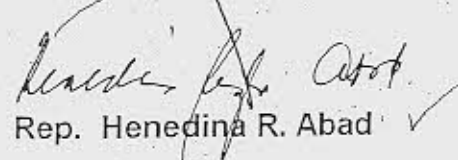

Rep. Hermilando I. Mandanas

Rep. Joseph Emilio A. Abaya ✓


Rep. Neptali M. Gonzales, II

Rep. Edcel C. Lagman ✓


Rep. Winston T. Castelo ✓


Rep. Henedina R. Abad ✓

Rep. Pedro B. Acharon, Jr. ✓

CO-AUTHORS

House Bill NO. 4374

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Rep. Ma. Zenaida B. Angping

Rep. Rodolfo W. Antonino

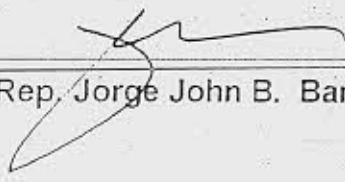
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Rep. Magtanggol T. Gunigundo


Rep. Bernadette R. Herrera-Dy

Rep. Nur G. Jaafar

Rep. Paolo Everardo S. Javier



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Fifteenth Congress

First Regular Session

HOUSE BILL NO. 4374

INTRODUCED BY:

Speaker Feliciano Belmonte, Jr., Representatives Freddie R. Tinga, Rufus B. Rodriguez, Hermilando I. Mandanas, Raul A. Daza, Jesus Crispin C. Remulla, Maria Isabella G. Climaco, Neptali M. Gonzales, II, Edcel C. Lagman, Amado S. Bagatsing, Rodolfo G. Valencia, Juan Edgardo M. Angara, Lucy Torres-Gomez, Winston T. Castelo, Henedina R. Abad, Jorge John B. Banal, Jr., Bernadette R. Herrera-Dy, Fatima Aliah Q. Dimaporo

AN ACT TO STRENGTHEN NATION BUILDING THROUGH THE
INSTITUTIONALIZATION OF A STRATEGIC VOLUNTEERISM BASED MULTI-
SECTORAL PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK, IN ALL
LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICTS IN THE
COUNTRY, AND FOR OTHER PURPOSES

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

- 1 SECTION 1. *Short Title.* - This Act shall be known as the "Filipino
- 2 Volunteerism In Nation Building (VNB) Act of 2010".
- 3
- 4 SEC. 2. *Declaration of Policy.* - (a) The State recognizes and respects
- 5 the vital role of Civil Society Organizations (CSOs) which include Non-
- 6 Government Organizations (NGOs), Volunteer Organizations (VOs) and
- 7 People's Organizations (Pos), as effective conduits in harnessing people

1 power, to promote and achieve nation-building through community-based
2 socio-economic and poverty alleviation programs, projects and activities,
3 in pursuance of national sustainable human development.
4

5 (b) It is also the declared policy of the State to ensure equitable
6 distribution of opportunities, income, and wealth to uplift the standard of
7 living and quality of life of all citizens, with the active involvement of
8 independent *bona fide* CSOs that shall adopt global good governance
9 practices, as it operates at the grassroots level.
10

11 (c) It is likewise the policy of the State to pursue and protect, the citizens
12 rights, interests and maximization of benefits to the people; by leveling the
13 playing field on access to work opportunities as well as providing
14 mechanisms to expand job productivity within a democratic framework,
15 through community-based initiatives that shall promote the general welfare
16 and development of the people and the nation.
17

18 (d) Furthermore, it is also the policy of the State to guarantee the
19 institutionalization of a *committed, participative and sustained* engagement
20 by the Local Government Units (LGUs) and Congressional Districts
21 (Districts)-local and national CSOs-the private sector-and the constituents,
22 in the long-term process of community building and poverty alleviation,
23 through joint ventures and such other cooperative arrangements, within the
24 over-all framework of nation building.
25

26 SEC. 3. *Volunteers In Nation Building (VNB) Mission-Vision Framework.* -
27 The role of the LGUs and Districts shall be, to provide assistance through
28 the sharing of *all* available resources, of the LGUs and Districts: and to
29 provide access points for VNB to be able to tap, coordinate or forge
30 linkages with vital local offices, institutions, groups or individuals, to widen
31 the reach and sphere of implementation of the VNB Act.

1

2 All VNB programs, projects and activities shall be in pursuance of
3 the following: community building through shelter and other infrastructure
4 programs; community child, youth and maternal health; child and youth
5 education; community entrepreneurship; food sufficiency; gender equality
6 and woman empowerment; peace efforts; culture, eco- tourism and
7 environmental preservation and protection.

8

9 In addition, micro-finance and livelihood programs, projects and
10 activities as well as strategies, approaches and other initiatives that will
11 promote and engender amity and harmony in areas or localities that have
12 peace-conflicts, shall be deemed an integral part of the VNB paradigm.

13

14 The aforestated programs, projects and activities shall incorporate
15 the eight-point agenda of the Millennium Development Goals, in keeping
16 with VNB's commitment to foster nation building towards the eradication of
17 poverty in the country and in fulfillment of the country's adherence to
18 international human development and human rights treaties and
19 agreements.

20

21 SEC. 4. *Volunteers In Nation Building (VNB) Guidebook.* - A
22 comprehensive and concise manual which contains the masterplan of all
23 VNB initiatives shall be prepared and disseminated in all LGUs and
24 Districts. The manual, which shall serve as a guidebook, shall contain the
25 mission-vision, objectives and goals, methods, systems, directory of VNB
26 plans, programs, projects and activities, and over-all timeline as well as
27 multi-sectoral capacity and sustainability building strategies, the VNB
28 member credo, all of which are aligned with the postulates and principles
29 adhered to by VNB, and geared towards efficiently and effectively achieving
30 the VNB mission and vision framework towards nation building.

31

1 The VNB Guide Book shall provide the guidelines for the
2 ~~organizational set-up, scope of work, duties and functions of the VNB~~
3 Central Office and Secretariat, *Provided, That*, within the 30 day period
4 following the effectivity of the VNB Act, the President shall issue the
5 appropriate Order or Memorandum to form the Steering Committee (SC) to
6 be composed of eleven (11) members as follows: five (5) from the public
7 sector, two (2) from Congress, one (1) from the corporate sector, one (1)
8 from the CSOs/NGO sector, one (1) from the academe, one (1)
9 representative of the OP, all of whom shall be designated and properly
10 compensated in accordance with existing laws, by the President, to
11 comprise the "ad-hoc/transition team". The SC shall participate in the
12 formulation of the IRR of this Act and thereafter, be responsible for setting-
13 up the VNB Central Office, VNB Secretariat and VNB Satellite Offices/Desks
14 and Staff Complement, the initial coordinative and liaison work with the
15 *core group* of agencies provided in Section 15 of this Act, and the VNB-
16 JCOC as provided in Section 8 of this Act, as well as the preparation of the
17 initial roster/list of contact persons for local and international inter-agency
18 and inter-sectoral linkages to establish a permanent comprehensive
19 directory of all public and private participants/partners under the VNB Act.

20
21 The SC which shall be constituted under the OP, shall have three
22 (3) months from the date of issuance of the said Presidential Order or
23 Memorandum, to fulfill the directive of activating the initial phases of
24 activating, mobilizing, organizing and establishing the VNB Act within the
25 stated time frame, and shall ensure that the VNB Act shall be fully
26 implemented and operational in accordance with its mandate.

27
28 *SEC. 5. Volunteers In Nation Building Key Implementors, Partners,*
29 *Stakeholders.* - The following shall be the multi-sectoral public and private
30 sector partners of VNB: Office of the President (OP), Department of Local
31 Government and Interior (DILG), Department of Budget and Management

1 (DBM), Department of Finance (DOF), Bureau of Internal Revenue (BIR),
2 ~~Bureau of Customs (BoC), Bureau of Treasury (BoT), National Economic~~
3 and Development Authority (NEDA), Department of Social Welfare and
4 Development (DSWD), Department of Environment and Natural Resources
5 (DENR), National Housing Authority (NHA), Land Registration Authority
6 (LRA), Home Mutual Development Fund (HMDF), Housing and Land Use
7 Regulatory Board (HLURB), Social Housing Finance Corporation (SHFC),
8 PAG-IBIG Fund, Department of Trade and Industry (DTI) Technology and
9 Livelihood Research Commission (TLRC), Department of Health (DOH),
10 Department of Labor and Employment (DOLE), Department of
11 Education (DEP-ED), Technological Education and Skills Development
12 Authority (TESDA), Commission on Higher Education (CHED), Department
13 of Public Works and Highways (DPWH), Department of Agriculture
14 (DA), Department of Agrarian Reform (DAR), Department of Energy (DOE),
15 National Electrification Authority (NEA) Cooperative Development Authority
16 (CDA), the Philippine National Volunteer Service Coordinating Agency
17 (PNVSCA), all LGUs, all Congressional Districts, VNB Secretariat and VNB
18 Satellite Office/Desk Staff Complement.

19
20 All *bona fide* CSOs that are into socio-welfare and economic
21 upliftment programs, projects and activities and have consistently
22 established a track record of having built at least 1,000 poor communities
23 across the country, as validated by the OP, and the private sector partners
24 who shall include but shall not be limited to: corporate entities, interest
25 groups, interfaith, religious or spiritual groups, socio-cultural groups,
26 international organizations and donor institutions and affiliates, foreign
27 governments, the academe, and any such other aggrupations,
28 instrumentalities and/or individuals outside of the sphere of the public
29 sector, upon accreditation, shall be deemed as VNB partners and
30 stakeholders.

1 *Sec. 6. Accreditation of VNB Partners and Stakeholders. -* All VNB

2 ~~partners and stakeholders consisting of . LGU's and Districts, local and~~
3 national CSOs/NGOs, team leaders at the barangay level of the community,
4 all VNB partners from the private sector, corporate entities, interest
5 groups, interfaith, religious or spiritual groups, socio-cultural groups,
6 international organizations and donor institutions and affiliates, foreign
7 governments, the academe, and any such other aggrupations,
8 instrumentalities and/or individuals, involved in *any* VNB spearheaded
9 program, project or activity, shall be required to *accredit/enlist* with the
10 VNB Central Office through its district VNB Satellite Office/Desk at the local
11 level ~~or the VNB Central Office itself at the national level, for purposes of~~
12 ~~having a central and local system and procedure in monitoring, records~~
13 ~~filing and updating and records management, of all individuals or entities~~
14 ~~that engage in community building partnerships with VNB.~~

15

16 *Sec. 7. VNB Satellite Office/Desk. -* A VNB satellite office/desk shall be
17 established in each LGU or District, wherever it is more geographically
18 feasible, upon determination by the VNB Central Office in consultation with
19 the appropriate LGU head and District representative , to ensure that the
20 VNB Central Office through the satellite office/desk, is accessible to the
21 grassroots and to all partners and stakeholders, whereas the satellite
22 office/desk shall primarily serve as the official venue in which to
23 ~~coordinate, conduct and consolidate all VNB concerns and activities within~~
24 the locality.

25

26 For a clear coordinative collaboration among all agencies involved
27 in the implementation of the VNB mandate, some critical Government
28 agencies, in close coordination with the VNB Secretariat and VNB Satellite
29 Offices/Desks, shall have specific lead roles: the *DSWD*, for review and
30 implementation of VNB socio-welfare projects, programs and activities; the
31 *NHA* for the application/requirements compliance, submission and

1 approval of the VNB shelter plan; the *DILG*- for overall VNB inter-agency
2 and LGUs coordination at the local level; the ~~Volunteers In Nation Building~~
3 Joint Congressional Oversight Committee, to oversee the VNB work with
4 local & national offices, the local and national CSOs, LGU and District
5 coordination and the private sector, in the implementation of all VNB
6 initiatives, programs, projects and activities; the *OP* for direct supervision
7 and monitoring over all VNB programs, projects and activities involving
8 local and international entities and agencies and the VNB public-private
9 sector partnerships.

10

11 Sec. 8. *Volunteers In Nation Building*-Joint Congressional Oversight
12 Committee (VNB-JCOC). - The VNB-JCOC shall oversee the VNB work with
13 local & national offices, the local and national CSOs, LGU and District
14 coordination and the private sector, in the implementation of all VNB
15 initiatives, programs, projects and activities. It shall be convened by the
16 Senate President and the Speaker of the House of Representatives as
17 attached units to the Office of the Senate President and Office of the
18 Speaker of the House of Representatives, respectively. The committee shall
19 be co-chaired by the Senate President and the Speaker of the House of
20 Representatives, and shall have five (5) Members who are the Chairmen of
21 the following Senate and House of Representatives Committees: Social
22 Welfare, Housing, and Local Government, Appropriations and Ways and
23 Means. The VNB-JCOC Secretariat shall be constituted by the Senate
24 President and the Speaker of the House, to be composed of not more than
25 five (5) staff for the Senate and the House of Representatives, respectively,
26 and utilizing organic personnel of each House, as designated by the
27 respective agency heads. The details for the implementation and
28 operationalization of the VNB-JCOC, shall be specified and included in the
29 IRR of this Act.

30

1 *Sec. 9. Reportorial Requirement.* - It shall be the duty of the VNB-JCOC in
2 coordination with the VNB Secretariat, to submit an Annual Progress and
3 Audit Report, in accordance with currently accepted accounting and
4 auditing practices, to the Office of the President and to Congress, on the
5 monitoring of the implementation of the VNB Act. Such report shall include
6 an evaluation and recommendations, as necessary, and with the approval
7 of the OP, to ensure the continued and sustained effectiveness of the VNB
8 framework in achieving its Mission-Vision mandate.

9
10 *SEC. 10. Incentives For VNB Partners and Stakeholders.* - Any VNB
11 and Bureau of Internal Revenue (BIR) accredited Donor and Donee under a
12 VNB listed program, project or activity shall enjoy the following incentives:

13
14 1.) All Donations in cash and in kind, including land, all of which are
15 actually, directly and exclusively *used* by the VNB movement, in its
16 programs, projects and activities that provide shelter, basic utilities of
17 electricity and water, education, healthcare, livelihood, environment and
18 peace efforts, that shall inure to the benefit of poor communities identified
19 by the VNB Central Office, *Provided* that such donations to the VNB
20 Secretariat shall be fully *tax deductible* from the gross income of the donor,
21 under the new nomenclature of donations for "nation building", upon
22 submission to the BIR of the VNB requirements for that purpose. The
23 implementation of this incentive shall be patterned after the applicable
24 provisions on "Allowable Deductions" under RA 8424, as amended.

25
26 2.) A donor's tax exemption shall be enjoyed by the VNB donor, upon
27 submission to the BIR of the VNB requirements for that purpose.

28
29 The DOF in coordination with the OP, DOF with the BIR and BoC,
30 DBM and the VNB Secretariat, shall set the guidelines for the screening,
31 evaluation, and approval of all tax incentives and benefits used for VNB

1 purposes, as well as the IRR specifically to implement the incentives
2 provided herein. In line with proper fiscal administration policies, the DOF
3 in coordination with VNB, shall determine the compliance criteria for
4 "utilization", "valuation", "deductibility", "proof of utilization" and "proof of
5 deductions" of all VNB donations whether in cash or in kind, as basis to
6 determine the availment of, and continued applicability or withdrawal of all
7 such tax incentives and benefits, in accordance with RA 8428, as amended,
8

9 3.) A tax amnesty incentive, applicable to all national internal revenue
10 taxes for the taxable year 2007 to 2010, in accordance with RA 9480, shall
11 likewise be extended to VNB donors who submit to the BIR
12 appropriate/required documents and comply with procedural requisites for
13 the availment of tax amnesty, *Provided, however, That*, the VNB donor is
14 not among the list of disqualified taxpayers, and that such VNB donor was
15 merely late or was not able to avail of the tax amnesty program (TAP) under
16 RA 9480, and is otherwise qualified to apply for tax amnesty. The
17 application for amnesty shall commence thirty days after the effectivity of
18 the IRR of this, *Provided, that*, the applicant has also complied with all
19 documentary proof of donation requirements stated in this Act. Availment
20 of and payment of the applicable amnesty tax shall be within six months
21 from the effectivity of the IRR specifically for the incentives provided
22 herein.

23
24 4.) A Special Housing Fund (SHF) to be sourced from the proceeds of real
25 property tax pegged at one per centum (1%) of the assessed value of real
26 property, in addition to the prevailing real property tax levied thereon
27 pursuant to existing laws. This shall be deemed as the public sector i.e.,
28 Government's "equity" under the VNB framework, which shall be used
29 principally for the VNB shelter programs, projects or activities, in
30 pursuance of the shelter/housing development plan to be prepared with the
31 assistance of the Local Development Council (LDC) of the barangay,

1 municipality, city, and province. Such funds shall be automatically
2 ~~appropriated and thereafter be disbursed after a complete and~~
3 implementable shelter program has been *approved* by the VNB Central
4 Office, as coursed through the VNB Satellite Offices/Desk Officer, and
5 returned back to the barangay, municipality, city, province that submitted
6 the same for approval, *within* one month from its submission to the VNB
7 Satellite Offices/Desk Officer. *Provided, That*, the implementation of this
8 provision shall be in accordance with the percentage allocation, to be
9 patterned after the provisions of the Local Government Code of 1991 on
10 allocation of special funds earmarked from *local real property tax*. A
11 reasonable percentage out of the one percent (1%) SHF shall also be
12 allocated to fund administrative and operations expenditures of the VNB
13 Central Office and VNB Satellite Offices/Desks, VNB Secretariat and Staff
14 Complement at the local and national levels. *Provided, further, That* this
15 special fund shall be rationalized and prudently used to attain the *Mission-*
16 *Vision* of the VNB Act, with the details of these percentage allocations and
17 requirements for actual disbursement thereof among the barangay,
18 municipality, city and province and the over-all manner of implementation
19 of this incentive, to be clearly specified in the Implementing Rules and
20 Regulations (IRR) of this Act.

21

22 The mechanics, criteria, qualifications, all documentary proof of
23 donation in cash or in kind, and proof of utilization of donation
24 requirements, and the implementation guidelines for all the incentives and
25 benefits provided under this Section, shall be carried out in accordance
26 with the 1987 Constitution, RA 8424, as amended, and other applicable
27 laws, rules and regulations, and shall be included and clearly specified in
28 the IRR, to ensure that these incentives and benefits shall properly benefit
29 the intended recipients, to fully and faithfully implement the true intent and
30 spirit of the VNB Act.

31

1 The incentives provided under this Act shall be effective for a period
2 of eight (8) years, with one extension of another six (6) years, subject to
3 satisfactory submission of and compliance with all VNB requirements,
4 terms and conditions, including all documentary proof of donation in cash
5 or in kind, and proof of utilization of donation requirements, for purposes of
6 the VNB Act.

7
8 Sec. 11. *Fund Source.* - In line with the Fiscal Responsibility Policy of
9 Government, the DBM in coordination with the DOF, BIR, BoC and the BoT,
10 shall ensure the allocation of funds for the sustained and continued
11 operations of all the components of the VNB Act, to be earmarked from the
12 Value-Added Tax (VAT).

13
14 Sec. 12. *Appropriations.* The amount necessary to carry out the provisions
15 of the VNB Act upon its effectivity and initial operations shall be charged
16 out of the funds of the Office of the President. Thereafter, any such sum as
17 shall be necessary for the regular implementation of this Act shall be
18 included in the subsequent General Appropriations Act (GAA) following the
19 VNB Act's enactment into law.

20
21 Sec. 13. *Separability Clause.* - If any provision of this Act is declared
22 invalid or unconstitutional, other provisions hereof which are not affected
23 thereby shall remain in full force and effect.

24
25 SEC. 14. *Repealing Clause.* - Any law, presidential decree or issuance,
26 executive order, letter of instruction, administrative order, rule or
27 regulation contrary to or inconsistent with any provision of this Act is
28 hereby repealed, amended, or modified accordingly.

29
30 SEC. 15. *Implementing Rules and Regulations (IRR).*- The Office of the
31 President in consultation and coordination with the Secretary of: DOF,

1 DBM, DILG, DPWH, DSWD, DENR, BIR Head, BoC Head, BoT Head, NEDA
2 Director General, NHA General Manager, LRA Head, HLURB Head, HMDF
3 Head, Pag-Ibig Fund President, SHFC Head, a representative from the
4 Office of the Senate President, a representative from the office of the
5 Speaker of the House and the VNB Head or authorized representative, as
6 the *core group*, together with the Steering Committee as provided in
7 Section 4 of this Act, with the assistance of all other Secretaries and Heads
8 of the participating Executive Agencies or their respective authorized
9 representative, and representatives from the private sector as instructed by
10 the OP, shall promulgate and publish the rules and regulations necessary
11 to implement this Act, within sixty (60) days after its effectivity, to ensure
12 proper, effective and efficient enforcement of the provisions of the VNB
13 Act.

14
15 SEC. 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
16 after its publication in the *Official Gazette* or in at least two national
17 newspapers of general circulation, whichever date comes earlier.

18
19 Approved,
20

Republic of the Philippines
House of Representatives
Quezon City

**MINUTES OF THE MEETING OF THE COMMITTEE ON PEOPLE'S PARTICIPATION HELD
ON MAY 18, 2011, 1:30 P.M. AT THE MINORITY CONFERENCE ROOM, NORTH WING
BASEMENT, HOUSE OF REPRESENTATIVES**

PART I: MEETING OF THE MOTHER COMMITTEE ON HB 4374

I. CALL TO ORDER AND ROLL CALL

The Chairperson of the Committee on People's Participation, Rep. Benjamin D. Asilo, ~~presided over the meeting which commenced at 1:58 PM.~~ Upon the motion of Deputy Speaker Ma. Isabelle G. Climaco, the Chair determined the presence of a quorum and dispensed with the calling of the roll.

II. ACKNOWLEDGEMENT OF MEMBERS AND GUESTS

The Chair introduced the members of the committee who were present during the meeting, namely Vice-Chairpersons Cinchona Cruz-Gonzales (PL-Cibac) and Edwin L. Olivarez (1st Dist., Parañaque City); Reps. Mark Aeron Sambar (PL-PBA), Winnie T. Castelo (2nd Dist., Quezon City), and Ma. Zenaida B. Angping (3rd Dist., Manila).

The Chair also introduced Deputy Speaker Climaco (1st Dist., Zamboanga City) and Rep. Hermilando I. Mandanas (2nd Dist., Batangas City), two of the authors of HB 4374; as well as Rep. Raymond Palatino (PL-KABATAAN), author of HR 975.

Upon the instruction of the Chair, the Committee Secretary, Dr. Rolando C. Cronico acknowledged the following resource persons from national government agencies (NGAs): Atty. Milaluna D. Ignacio of the Commission on Appointments (CA); Dir. Ronald Fontamillas of the Housing and Urban Development Coordinating Council (HUDCC); and Mr. Nicolas Castillano of the Department of Budget and Management (DBM).

The Committee Secretary also acknowledged the presence of the following guests from civil society organizations (CSOs): Atty. Monina Camacho of the Union of Leagues of Authorities of the Philippines (ULAP); Chairman Sixto Donato Macasaet of Code-NGO Phils.; Mr. Elmer Argano of Yes Pinoy

Foundation; Chairman Antonio Meloto, Executive Director Jose Luis Oquiñena, and Dr. Anton Lim of Gawad Kalinga (GK) Foundation.

III. CONTINUATION OF THE CONSIDERATION OF HOUSE BILL NO. 4374
(FILIPINO VOLUNTEERISM IN NATION-BUILDING ACT)

A. Sponsorship Remarks of the Author

Deputy Speaker Climaco asked for the approval of HB 4374 reasoning out that it aims to promote the spirit of volunteerism in the private sector and to harness the capabilities of the government in its partnership with other sectors. Reacting to the issue on possible duplication of tasks which was raised in the previous meeting, she asked that the committee harmonize the functions of the proposed Volunteers In Nation Building (VNB) offices with the functions of other government agencies.

B. Comments of the Resource Persons from NGAs

Dir. Fontamillas of HUDCC noted that most of their comments are reflected in the minutes of the previous meetings and registered no objection to HB 4374. Nonetheless, he stressed that there is a need to clarify the function of the VNB offices vis a vis the Regional Development Council (RDC) and the Provincial Development Council (PDC). For the part of the HUDCC, he discussed that their role is to provide technical support to the formulation of the local shelter plan of local government units (LGUs).

Mr. Castellano of the DBM delivered the message that the DBM cannot send any representative to the meeting because all the technical staff members of the agency are involved in the preparation of the national budget; however, the DBM will send a position paper on the measure after it has been thoroughly studied.

C. Comments of Representatives from CSOs

Mr. Argano of Yes Pinoy Movement registered their movement's support for the measure because they believe that *"the difficult task of nation building lies not only in the hands of government but also of its people, powered by their selfless spirit of volunteer initiatives."*

Mr. Macasaet of Code-NGO Phils. expressed that they cannot support the bill as presently drafted, even though they approve of the intent of the bill to

institutionalize volunteerism. Accordingly, their main contention against the measure revolves around the provision creating VNB offices which may: (a) become an unnecessary layer of bureaucracy; (b) entail additional expense, and (c) stifle the initiative of CSOs. He cited the Philippine National Volunteer Service Coordination Agency (PNVSCA) and several other NGAs with desks or offices for CSOs which are already performing the work of the proposed VNB offices. In addition, he stressed the need to study the proposed tax incentives under the measure, as well as the "one size fits all" VNB framework and manual, which may not be appropriate, given the diverse strategies used in the country. However, he supported the idea of a special housing fund (SHF), given the lack of resources for housing programs. Dep. Speaker Climaco asked Mr. Macasaet to help the Committee revise the bill, to which Mr. Macasaet agreed.

Atty. Camacho of ULAP emphasized the need for stronger people's participation to heighten social responsibility. To become a deterrent to corruption, Atty. Camacho suggested that only people of known probity be involved in CSOs. However, when asked about the proposed SHF, she doubted whether local chief executives (LCEs) would approve its creation, since it will come from an additional 1% of the assessed Real Property Tax (RPT).

Chairman Antonio Meloto of the Gawad Kalinga (GK) Foundation expounded on their experiences in building communities under the GK. Accordingly, they saw the power of public-private partnership (PPP) in their engagement with more than 400 mayors; with Rep. Rufus Rodriguez in Cagayan De Oro; with the Speaker and former Mayor Feliciano Belmonte in Quezon City; and with Rep. Aaliyah Dimaporo who was positive that all Muslim Representatives would support GK. He explained that HB 4374 is an initiative started by a lot of legislators which provides the platform, the spirit, and the vision to implement a nationwide community building program for the poor, multiplying efforts similar to the GK.

Mr. Macasaet of CODE-NGO responded that they agree with Mr. Meloto, however, he opined that similar programs are already implemented even without a bureaucracy. Vice-Chair Olivares argued that there is still no policy relating to this which can be followed by LGUs.

Dr. Anton Lim of GK-Mindanao agreed with Vice-Chair Olivares and stressed that with a policy such as HB 4374, local governments will pay more attention. He cited their present circumstances wherein they are required to

approach several agencies when they plan to build GK communities, thus hampering their operations.

D. Comments of the Chair and Committee Members

Dep. Speaker Climaco cited that there are functions that are mandated but are not implemented by government agencies, and these become more problematic in times of crisis. Given this, she forwarded that there is a need to centralize functions to ensure efficiency of implementation, thus the need for offices such as those of the VNB.

Atty. Camacho countered that there are about 400 unfunded mandates, and warned that once passed, HB 4374 might just be another one of them, considering that LGUs bear the brunt of implementing these laws. She argued that volunteerism should not be dictated because it stems from passion and that it should not be regulated because it entails an expense.

Dep. Speaker Climaco expressed hope that, once passed, LGUs will help implement the measure, since it will only entail 1% of the income of LGUs. Chair Asilo informed the body that in Manila, this would translate to more than P1B.

Mr. Meloto contended that certain Representatives and local officials have signified support for the measure. He also imparted that GK has attracted about P4 Bn in funds, and that more funds are coming, given the pledges of some Filipinos residing abroad to help their towns financially. He asked the Body not to be afraid of the legal infirmities.

At this juncture, Chair. Asilo asked the GK to detail the cost of building one housing unit. Executive Director Oquiñena replied that it would cost about P250 to P300 thousand, elaborating that the social preparation and engineering requirement are usually "*pro bono*." He further assured the Body that giving 1% of the income of LGUs will not erode local funds since the money will be spent in the same locality.

Dir. Fontamillas of HUDCC suggested that the Committee explore the existing social housing programs for alternative sources of financing, exemplifying the community mortgage program which provides group loans to a group of settlers.

Atty. Camacho reiterated that imposing an additional 1% on the RPT might be seen as an imposition to LGUs, and thus, an intrusion to local

autonomy. Mr. Meloto insisted that building viable communities is a priority of LCEs because they want to help their constituents who are informal settlers or who are residing in disaster prone areas.

At this juncture, Rep. Olivares proposed that the grant of the additional 1% in the RPT for SHF be specified so that investors will not be burdened, given that the industrial and commercial assessment of RPT is already pegged at more than 50%. Dep. Speaker Climaco agreed to such amendments.

Dep. Speaker Climaco continued by narrating her experience, wherein her P1 M GK donation sourced from her Countrywide Development Fund was disapproved by the DBM. She advanced that the passage of HB 4374 will provide the legal basis for such donations.

Dir. Fontamillas of HUDCC discussed other ways to finance housing programs, explaining that these investment requirements will be identified in the formulation of the local shelter plan. He singled out the case of Quezon City, where the main source of funds is the idle land tax. However, upon clarification, Dir. Fontamillas explained that HUDCC can only offer technical support in helping the local governments address housing requirements, and affirmed the need for the SHF as a solid source of financing.

Rep. Olivares stressed the import of a government counterpart fund. On the other hand, Rep. Castelo opined that GK may not be paralyzed if the SHF provision is deleted from the measure. Mr. Meloto disagreed, and insisted that the huge shelter requirement of the country can be better addressed with such government support.

Chair Asilo verified the amount of the proceeds from the proposed SHF and inquired whether this will be enough to build communities. Rep. Olivares offered that the SHF will amount to about P500 M a year in Parañaque; Rep. Castelo shared that it will be about P 1 B in Quezon City; and Chair Asilo estimated that this will amount to P1.2 Bn in Manila.

Dir. Fontamillas reiterated the other sources of funds for the local shelter plan, namely; (a) full implementation of Section 18 of the Urban Housing Development Act; (b) the Community Mortgage Program; (c) Presidential Proclamation of Government's idle lands; and (d) the PAG-IBIG window.

On another issue, Rep. Palatino noted that the accreditation requirement (page 5 lines 20 to 23) of building 1,000 poor communities is quite stringent. Upon

verification, Dir. Fontamillas of HUDCC responded that he can only name three qualifiers, namely, GK, Habitat, and ABS-CBN. Rep. Castelo held that track record is important, and warned that relaxing the requirement might open the program to a lot of CSOs and might lead to more problems.

E. Committee Action on HB No. 4374

Upon the proposal of Dep. Speaker Climaco and the motion of Vice-Chair Cruz-Gonzales, the Committee created a technical working group (TWG) to polish the bill.

Vice-Chair Olivares also moved to include all Committee members present during the meeting to be co-authors of HB 4374. Rep. Benedicto-Angping agreed with the motion and asked that the movement of the bill be hastened.

Rep. Mandanas suggested that the Department of Finance, the DBM, and the GK be nominated as TWG members, even though the bill still needs to pass through the Committee on Ways and Means and Appropriations.

Upon further discussion, the Committee approved HB No. 4374 in principle, subject to style.

IV. ADJOURNMENT

There being no other matters to discuss, the Chair turned over the Chairmanship of the meeting to Vice-Chairperson Cruz-Gonzales at 3:35 PM.

PART II: EXECUTIVE MEETING OF THE SUBCOMMITTEE ON POLITICS AND GOVERNANCE ON HR 975

I. CALL TO ORDER

The Chairperson of the Subcommittee on Politics and Governance of the Committee on People's Participation, Rep. Cinchona Cruz-Gonzales, presided over the meeting which she called to order at 3:45 PM.

II. SPONSORSHIP REMARKS OF THE AUTHOR

Upon recognition, Rep. Palatino narrated that he was inspired to author HR No. 975, which seeks to inquire on the status of implementation of RA 1827 (Act Regulating Lobbying in Congress and the Commission on Appointments).

when he learned in a meeting of the Committee on HB 1199 that there are problems in its enforcement. He propounded several questions on the following: (a) the existing policies on lobbyists; (b) the kinds of identified lobbyists and their positions; (c) the sufficiency of HB 1199 as an amendatory bill to RA 1827; and (d) the need to register lobbyists.

III. DISCUSSION OF HR 975

Subcommittee Chairperson Cruz-Gonzales expressed that she has the same inquiries. She also reported that the Senate has communicated that they have not received any application from a lobby group, and that they cannot attend the deliberation because this might pre-empt the consideration of similar bills filed by Senators Miriam Defensor-Santiago and Antonio Trillanes. The Chair argued against the latter voicing out that their attendance to the hearing will in fact enhance the relationship of the two Houses of Congress. Finally, the Chair informed the Body that the House of Representatives has sent Memorandum Order No. 03-87 s. 1987 or the Guidelines and Procedure in the Processing of Application to Lobby Pursuant to RA 1827.

Atty. Milaluna Ignacio of the Commission on Appointments (CA) reported that RA 1827 is not fully implemented in the CA because they have not received any application since the CA was re-established in 1987. However, she explained that CA allows the participation of the public in the screening of appointees and accepts the endorsements as well as oppositions of concerned individuals and groups. Upon clarification, she discussed the basic rules in hearing the objections in the deliberation of appointees. The Chair asked that a copy of these rules be furnished the committee.

The Chair also verified whether the CA has specific guidelines on lobbying similar to the aforementioned Memorandum Order of the House of Representatives. Atty. Ignacio answered in the negative and explained that the acceptance of the CA of endorsements and oppositions is only guided by practice and tradition.

On the inquiry of Rep. Palatino on whether RA 1827 should be implemented or amended, Atty. Ignacio opined that since the law is outdated, it must be amended to conform to the practices and traditions of the CA.

IV. COMMITTEE ACTION ON HR 975

The Chair proposed that the CA help the Committee in crafting a better bill. Rep. Palatino agreed and suggested that this prospective bill must integrate the provisions of HB 1199 and incorporate the practices of the CA, the House of Representatives, and the Senate.

Upon further discussion, the Chair set another executive meeting on HR 975 to hear the comments and updates of the House of Representatives and the Senate. The meeting was set on May 25, 2011.

V. ADJOURNMENT

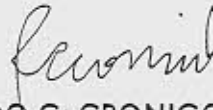
~~There being no other matters to discuss, the Chair adjourned the meeting~~
at 4:25 PM.

Prepared by:



LORENA A. FERNANDEZ
SLSO II

Reviewed by:



ROLANDO C. CRONICO, PhD.
Committee Secretary

Noted by:



HON. BENJAMIN DR. ASILO
Chairperson



HON. CINCHONA CRUZ-GONZALES
Subcommittee Chairperson
