

SIXTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

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HOUSE OF REPRESENTATIVES
H. No. 5134



Introduced by Representative Teodorico T. Haresco, Jr.

EXPLANATORY NOTE

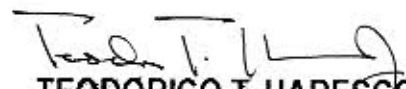
Article II, Section 20 of the 1987 Philippine Constitution states that "the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."

One of the core transformational shifts proposed by the United Nations Post-2015 Development Agenda is to "Leave No One Behind". This "*Walang Iwanan*" call makes it imperative that the private sector consciously consider the Millennium Development Goals (MDGs) in the conceptualization and implementation of their programs to align it with the policies and programs set by government to ensure the MDGs are achieved.

The MDGs set in the United Nations Millennium Summit in 2000 prescribe and measure eight goals that establish and advance the basis for sustained social and economic development especially in the grassroots level. However, according to the 5th Philippine Progress Report on the MDGs launched on August 20, 2014, the Philippines has a good chance of meeting only half of the 8 MDGs. The government particularly failed to substantially reduce poverty incidence (Goal 1), recording 25.2% as of 2012 versus the target of 17.2% by 2015. It is also not expected to achieve the targets set for universal education for all (Goal 2), improvement of maternal health care (Goal 4), and gender equality and empowerment of women (Goal 5).

Thus, there is an imperative need for the government to harness the resources and support of the private sector, through the latter's Corporate Social Responsibility Fund. According to the World Bank, Corporate Social Responsibility (CSR) is defined as "the commitment of business to behave ethically and to contribute to sustainable economic development by working with all relevant stakeholders to improve their lives in ways that are good for business, the sustainable development agenda, and society at large".

With this public-private partnership, the country's chances of achieving the Post-2015 MDG Development Agenda will likely be improved. Hence, the passage of this bill is earnestly sought.


TEODORICO T. HARESCO, JR.
Representative

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AN ACT
ENJOINING THE PRIVATE SECTOR TO JOIN THE “WALANG IWANAN” OR “LEAVE
NO ONE BEHIND” PROGRAM OF THE GOVERNMENT THROUGH THEIR CORPORATE
SOCIAL RESPONSIBILITY (CSR) PROGRAMS TO ACHIEVE THE MILLENNIUM
DEVELOPMENT GOALS BY 2015 AND BEYOND, PROVIDING A TAX EXEMPTION
INCENTIVE FOR THE PURPOSE

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

1 **Section 1. Title.** - This Act shall be known and cited as the "*Walang Iwanan Act of*
2 2014"

3
4 **Sec. 2. Declaration of Policy.** – The State recognizes the Millennium Declaration of
5 2000, containing eight (8) goals, as the development agenda to ensure that the
6 impact of the country's economic development reaches even the poorest of the poor.
7 It also recognizes that one of the core transformational shifts proposed in the United
8 Nations Post-2015 Development Agenda is to "Leave No One Behind" or "Walang
9 Iwanan" in the national lingo. Toward this end, the State shall harness the resources
10 and support of the private sector, through the latter's Corporate Social Responsibility
11 Fund, to improve the country's chances of achieving the Post-2015 MDG
12 Development Agenda.

13
14 **Sec. 3. Establishment of the CSR for MDG Program.** – There is hereby
15 established the "Leave No One Behind" or "Walang Iwanan" Program whereby the
16 private sector is enjoined to set aside or direct its corporate social responsibility
17 (CSR) funds to projects that are synchronized with the government's programs to
18 achieve its MDG commitments.

1 **Sec. 4. CSR for MDG Certification and Coordinating Council.** – A Certification
2 and Coordinating Council is hereby created to coordinate, monitor and certify the
3 private corporations that donate gifts (cash and in kind) to MDG implementing
4 agencies or directly adopt projects aimed towards the attainment of the country's
5 Post 2015 MDGs. The Council shall be composed seven (7) members, as follows:
6 the Director General of the NEDA as Chairperson; the Secretary of the Department
7 of Social Welfare and Development, the Secretary of Finance, the Secretary of
8 Health and three (3) representatives from the private sector belonging to the League
9 of Corporate Foundation, Philippine Business for Social Progress and from the
10 national federation of SMEs. The private sector members of the Council shall be
11 appointed by the President of the Philippines. The NEDA, as the lead agency
12 monitoring the country's MDG activities, shall provide secretariat support to the
13 Council.

14
15 **Sec. 5. Tax Exemptions.** – The provisions as of any general or special law to the
16 contrary notwithstanding gifts and donations of all kind and cost of projects under the
17 "Leave No One Behind" or "Walang Iwanan" Program upon the certification of the
18 Council, shall be:

- 19
20 a. exempt from the donor's tax;
- 21 b. considered as allowable deductions from the gross income of the donor, in
22 accordance with the provisions of the National Internal Revenue Code of
23 1997, as amended: Provided, that the allowable deductions shall be
24 equivalent to one hundred fifty percent (150%) of the value of such
25 donation: Provided, moreover, that valuation of assistance other than
26 money shall be based on the acquisition cost of the property or project.
27 Such valuation shall take into consideration the depreciated value of the
28 property in case said project has been used;

29
30 **Sec. 6. Implementing rules and regulations.** – Within six months following
31 approval, the Council created herein, in consultation with the DSWD, DOF / BIR,
32 DOH and private sector representatives, shall prepare the implanting rules and
33 regulations to implement this act.

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Sec. 7. Separability Clause. – In the event that any provision of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

Sec. 8. Repealing Clause. – All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 9. Effectivity. – This Act shall take effect fifteen (15) days after its publication in two (2) national papers of general circulation.

Approved,