



# Committee Daily Bulletin

18<sup>th</sup> Congress  
First Regular Session

A publication of the Committee Affairs Department

Vol. I No. 103  
June 2, 2020

## COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Cooperatives Development	HR 524	Rep. Lacson	Clarifying the provisions and implementation of the Joint Administrative Order 1-2019 and its implication to the issued Bureau of Internal Revenue (BIR) memorandum circulars and the memoranda issued by the CDA to cooperatives for its compliance with RA 9520, otherwise known as the Philippine Cooperative Code of 2008	The Committee, chaired by Rep. Sabiniano Canama (Party-List, COOP-NATCCO), approved the Committee Report on HR 524.
	HR 523	Rep. Canama	Commending Dumaguete Cathedral Credit Cooperative Union (DCCCO) Multipurpose Cooperative (MPC), Bagong Barrio MPC, Kooperatiba Naton (KNMPC), San Jose Sico Landfill MPC, and Litolet Consumer Cooperative (LICONCO) as the winners of the 2019 Ninth Gawad Parangal of the Cooperative Development Authority (CDA)	The Committee approved the Committee Report on HR 523.
	HR 743	Rep. Canama	Commending the Nueva Segovia Consortium of Cooperatives for its outstanding achievement and leadership in the upliftment and development of cooperatives in the countryside	The Committee approved the Committee Report on HR 743.
Sustainable Development Goals	Substitute Bill to HB 6526	Deputy Speaker Villafuerte	Establishing a Green Public Procurement Program in all branches of government	<p>The Committee, chaired by Rep. Anna Marie Villaraza-Suarez (Party-List, ALONA), approved the Substitute Bill to HB 6526 subject to style, and the corresponding Committee Report.</p> <p>Rep. Villaraza-Suarez said that the bill reflects the Committee's campaign to institutionalize the achievement of the sustainable development goals (SDGs) through legislations. Adopting a green public procurement policy supports the country's commitment to achieve the SDGs, particularly on responsible consumption and production.</p> <p>Rep. Mohamad Khalid Dimaporo (1<sup>st</sup> District, Lanao del Norte) suggested that the budget for the conduct of capability-building trainings and seminars on sustainable public procurement for local government units should come from the national government.</p>

## AGENCY BRIEFING

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Poverty Alleviation	Report by the Department of Social Welfare and Development (DSWD) on the status of implementation of the Social Amelioration Program (SAP) of the government during the COVID-19 pandemic	<p>The Committee, chaired by Rep. Dale "Along" Malapitan (1<sup>st</sup> District, Caloocan City), listened to the presentation of DSWD Undersecretary Danilo Pamong on the status of implementation of the government's SAP during the COVID-19 pandemic.</p> <p>At the outset, Rep. Malapitan said that the SAP, which is authorized under RA 11469 or the "Bayanihan To Heal as One Act," is aimed at responding</p>

<p>Continuation...</p> <p>Poverty Alleviation</p>		<p>to the urgent needs of those affected by the pandemic, especially the most vulnerable sector of the society. In this line, he underscored the importance of properly identifying who are the targeted beneficiaries and how the government can provide the most efficient and effective service to these people.</p> <p>Pamonag reported that being the lead agency in the implementation of the SAP, DSWD has provided emergency subsidies ranging from P5,000 to P8,000 to some 17.6 million households who are either poor or low-income informal sector workers. The first tranche of the emergency subsidy, with a P100 billion fund, covers the months of April to May. Out of the 1,634 local government units (LGUs), 94% or 1,530 have already completed their payouts to qualified beneficiaries.</p> <p>DSWD is now halfway through the liquidation stage. Pamonag encouraged the LGUs to already submit their liquidation reports in order for DSWD to proceed with the post-validation stage. In this stage, the DSWD will validate the eligibility of the beneficiaries and the possible duplication in assistance given to the beneficiaries under SAP. Subsequently, when the post-validation stage is completed, the DSWD will proceed with the release of the second tranche of the emergency subsidy.</p> <p>Other agencies that are also providing assistance under the Social Amelioration Framework are the Department of Labor and Employment, Department of Agriculture, Department of Trade and Industry, and the Department of the Interior and Local Government.</p> <p>Several Committee Members claimed that the list of beneficiaries under the first tranche of emergency subsidy excluded many poor households. They suggested that the list be made in coordination with the LGUs since they are the ones who have direct knowledge of who the poor are in their respective localities.</p> <p>Rep. Geraldine Roman (1<sup>st</sup> District, Bataan) said that the national ID system, if it had already been implemented, could have facilitated the generation of lists of beneficiaries under the circumstances.</p> <p>Rep. Jonathan Keith Flores (2<sup>nd</sup> District, Bukidnon) asked about the steps being undertaken by the DSWD in making LGUs liable for alleged anomalies in the distribution of SAP.</p> <p>Pamonag replied that the Philippine National Police-Criminal Investigation Group is the agency undertaking such investigation and will file the appropriate charges in court.</p> <p>Replying to the question of Deputy Speaker Roberto Puno (1<sup>st</sup> District, Antipolo City), Pamonag said that areas that will be covered under the second tranche are the National Capital Region, Region III (except Aurora), Region IV-A, Benguet, Pangasinan, Iloilo, Cebu Province, Bacolod City, Davao City, Albay Province, and Zamboanga City.</p> <p>Rep. France Castro (Party-List, ACT-TEACHERS) urged the DSWD to fast-track the generation of list of senior citizens, daily wage earners, and public utility drivers who were not given any subsidy under the first tranche so that they can be included as recipients of the SAP's second tranche. Rep. Castro was joined by other Committee Members in calling for the immediate release of the subsidy under the second tranche.</p> <p>Likewise, Rep. Paul Ruiz Daza (1<sup>st</sup> District, Northern Samar) brought up the need to increase the absorptive capacity of the DSWD's provincial offices to ensure that the financial assistance being provided by the DSWD under its Assistance to Individuals in Crisis Situation (AICS) Program are released in a timely manner.</p> <p>The Committee requested the DSWD to provide a copy of an audited list of first tranche SAP recipients, and its written response to all the queries raised during the meeting.</p>
---	--	--

DISCUSSION WITH AGENCIES/ENTITIES		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Cooperatives Development	Discussion with the cooperative sector on the inclusion of its proposals in the Philippine Economic Stimulus Act (PESA)/Accelerated Recovery and Intervention Stimulus for the Economy of the Philippines (ARISE) Bill	<p>The Committee, chaired by Rep. Sabiniano Canama (Party-List, COOP-NATCCO), discussed with agencies and other stakeholders issues and concerns concerning the ARISE Bill, the conduct of general assemblies by cooperatives during this time of pandemic, and the loan programs of the Land Bank of the Philippines (LBP).</p> <p>Rep. Canama said that the Committee wants that cooperatives registered with the Cooperative Development Authority (CDA) and electric cooperatives registered with the National Electrification Administration (NEA) and CDA be specifically included in the coverage of HB 6815 or the ARISE Philippines Act to ensure the participation of the cooperative sector in the sectoral recovery measures of the country.</p> <p>Rep. Adriano Ebcas (Party-List, AKO PADAYON) informed the body that the cooperatives are included under the definition of terms of "business entities" in the final version of the ARISE Bill. Likewise, Rep. Sergio Dagoc (Party-List, APEC) said that financial and regulatory reliefs are also provided for cooperatives under Sections 11 (Extension of Principal Loan Payments) and 12 (Regulatory Reliefs for Business Entities) of the bill.</p> <p>Deputy Speaker Deogracias Victor "DV" Savellano (1<sup>st</sup> District, Ilocos Sur) confirmed that cooperatives are duly recognized in the ARISE Bill. He also acknowledged the importance of the participation of the cooperative sector in the drafting of the Implementing Rules and Regulation (IRR) of the proposed law to ensure its inclusion in the sectoral recovery schemes of the government.</p> <p>Expressing their comments and suggestions were representatives from the Tagum Cooperative, National Confederation of Cooperatives, Philippine Cooperative Center, and the Nueva Segovia Consortium of Cooperatives. They said that the cooperative sector would have wanted that cooperatives be treated as a distinct class and not be classified under "business entity." Nevertheless, they agreed to participate in the drafting of the IRR of the bill upon its enactment into law so that the interests of cooperatives will be taken into consideration.</p>
	Discussion on the memorandum circulars issued by the Cooperative Development Authority (CDA) relative to the conduct of general assembly, and status of the implementing rules and regulations (IRR) of the CDA Charter	<p>Rep. Canama asked the CDA on the possibility of allowing the cooperatives to conduct general assemblies during the general community quarantine (GCQ) period. He explained that some officers are approaching the end of their terms, thus the need to conduct the election of officers during the general assemblies.</p> <p>CDA Chair Orlando Ravanera apprised the body that the CDA already issued Memorandum Circular (MC) No. 2020-10 on May 29, 2020, which provides the guidelines on the conduct of general assembly meetings of federations, unions, and cooperative banks. Under MC 2020-10, federations, unions, and cooperative banks are allowed to hold video conferences to formulate their internal rules and procedures, amend their bylaws, or vote on matters raised in the meeting.</p> <p>However, the circular does not apply to primary cooperatives that have thousands of members because videoconferencing will not be feasible. Ravanera said the CDA would await the decision of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) regarding the conduct of public gatherings during the GCQ. He also assured the body that he will take up this concern in the next Board meeting of the CDA.</p> <p>With regard to the IRR of the CDA Charter, Ravanera reported that the finalization of the IRR was held in abeyance due to the enhanced community quarantine (ECQ).</p>

Continuation... Cooperatives Development		<p>The CDA Charter of 2019 (RA 11364) was enacted on August 8, 2019. Under Section 26 of the CDA Charter, the IRR should be formulated within 90 days upon the effectivity of the CDA Charter.</p> <p>Update by the Land Bank of the Philippines (LBP) on its loan programs for cooperatives</p> <p>LBP's Cooperative Concern Project Development Officer Edgardo de Guzman informed the body of the various lending programs of the LBP that have interest rates ranging from 0% to 5%, as follows: Accessible Funds for Delivery to Agrarian Reform Beneficiaries, 5%; Agricultural Competitiveness Enhancement Fund (ACEF) Lending Program, 2%; Socialized Credit Program under the Sugarcane Industry Development Act, 2%; and the Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF), 2%. For on-lending by cooperatives under ERCA-RCEF, interest rate is at 0% per annum, as long as effective pass-on rate to end borrowers is not higher than 6% per annum.</p> <p>In support of RA 11469 or the "Bayanihan to Heal as One Act," the LBP through its Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 (I-RESCUE) Lending Program, provides interim assistance to small and medium enterprises, cooperatives, and microfinance institutions. The Program aims to provide additional funds and loan restructuring under more flexible terms and conditions to eligible borrowers.</p> <p>On the request of the Chair to waive the interest on loans, De Guzman stated that LBP cannot grant the request as it incurs costs in the generation of the funds for the programs.</p> <p>Rep. Joseph Stephen Paduano (Party-List, ABANG LINGKOD) urged LBP to recapitalize small credit cooperatives and rural banks to improve their operations.</p> <p>De Guzman responded that LBP provides for a working capital for cooperatives with assets of P100 million. He likewise stated that the LBP has granted a moratorium on the payment of loans or a deferred loan payment and has allowed the restructuring of loans. After the pandemic, he said, the cooperatives may choose to amortize the payment of the accrued interest rates until the first quarter of 2021.</p> <p>Rep. Jose Gay Padiernos (Party-List, GP) inquired on the guidelines for the grace period on the payment of loan interest. De Guzman replied that it is subject to the evaluation of the LBP credit officers handling the account of the borrower.</p>
<b>Sustainable Development Goals</b>	Update on the state of the economy amidst COVID-19 and its impact on the SDGs	<p>The Committee, chaired by Rep. Anna Marie Villaraza-Suarez (Party-List, ALONA), discussed with the National Economic and Development Authority (NEDA) the state of the country's economy and the government's plan in achieving the SDGs amidst the challenges of COVID-19.</p> <p>NEDA Acting Secretary Karl Kendrick Chua reported that the country entered 2020 with one of the brightest growth prospects in the region with an average 6.6% gross domestic product (GDP) growth. He said that on the fourth year of President Duterte's term, the country has already achieved 6 out of the 10 of the Socio-Economic Agenda of the Duterte administration which are:</p> <ul style="list-style-type: none"> <li>• Sustaining macroeconomic policies;</li> <li>• Instituting progressive tax reforms;</li> <li>• Increasing competitiveness and the ease of doing business;</li> <li>• Accelerating annual infrastructure spending;</li> <li>• Promoting rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism; and</li> <li>• Investing in human capital development through the Universal Health Care Law.</li> </ul> <p>Likewise, the government was able to lift six million Filipinos out of poverty in 2018, which was way ahead of the 2022 target. In January 2020, the</p>

<p>Continuation... Sustainable Development Goals</p>		<p>country has achieved one of the lowest unemployment rate of 5.3% and lowest poverty rate of 16.6%.</p> <p>Chua said that the country's strong fiscal position prior to COVID-19 has allowed the government to provide the assistance that people need during these trying times. As early as January, the government has released P500 billion to the vulnerable and the poor who have been affected by the Taal Volcano eruption and ash fall, the collapse of tourism and trade when the pandemic started, and during the enhanced community quarantine period. Likewise, P50 billion was allocated to the country's healthcare system to provide for the much needed medical care during the pandemic.</p> <p>Chua said that NEDA is now working with Congress for the recovery and resiliency programs of the government. He is optimistic that with the proactive policies of the government and the cooperation of the people, particularly in observing the minimum health standards, the country can actually recover much faster than other countries given the country's strong economic fundamentals.</p> <p>Rep. Mohamad Khalid Dimaporo (1<sup>st</sup> District, Lanao del Norte) inquired about the realignment of funds in the 2020 General Appropriations Act (GAA) for the implementation of the programs under RA 11469 or the "Bayanihan To Heal as One Act." He specifically questioned the slash in the budget of the Development Budget Coordination Committee (DBCC) Technical Working Group (TWG) for SDGs, as well as in the budget for infrastructure projects in his district.</p> <p>Chua replied that there was a significant reallocation of funds from the 2020 GAA pursuant to RA 11469 to provide emergency support to the people affected by the pandemic and address the most urgent needs of the country.</p> <p>NEDA Undersecretary Rosemarie Edillon said that NEDA requested the reinstatement of the budget for the TWG from the Department of Budget and Management.</p> <p>On the query of Rep. Stella Luz Quimbo (2<sup>nd</sup> District, Marikina City), Chua said that unemployment rate worsened during the enhanced community quarantine period with 2.2 million affected workers resulting in an increase in unemployment rate to 10.2% from 5.3% in January.</p> <p>Apart from providing emergency and wage subsidies, Chua said that the government is looking at the following interventions to cushion the impact of COVID-19 on the labor sector: cash for work programs; voluntary wage reduction; skills retooling; unemployment insurance savings account; and pension portability system.</p> <p>Rep. David "Jay-Jay" Suarez (2<sup>nd</sup> District, Quezon) asked about the loan facilities to be provided to the local industry during the quarantine period.</p> <p>Chua replied that Land Bank of the Philippines and the Development Bank of the Philippines have loan facilities that offer low interest rates. He added that the Bangko Sentral na Pilipinas (BSP) will also provide directives to allow local industries to have access to loans at subsidized interest rates.</p>
--	--	--